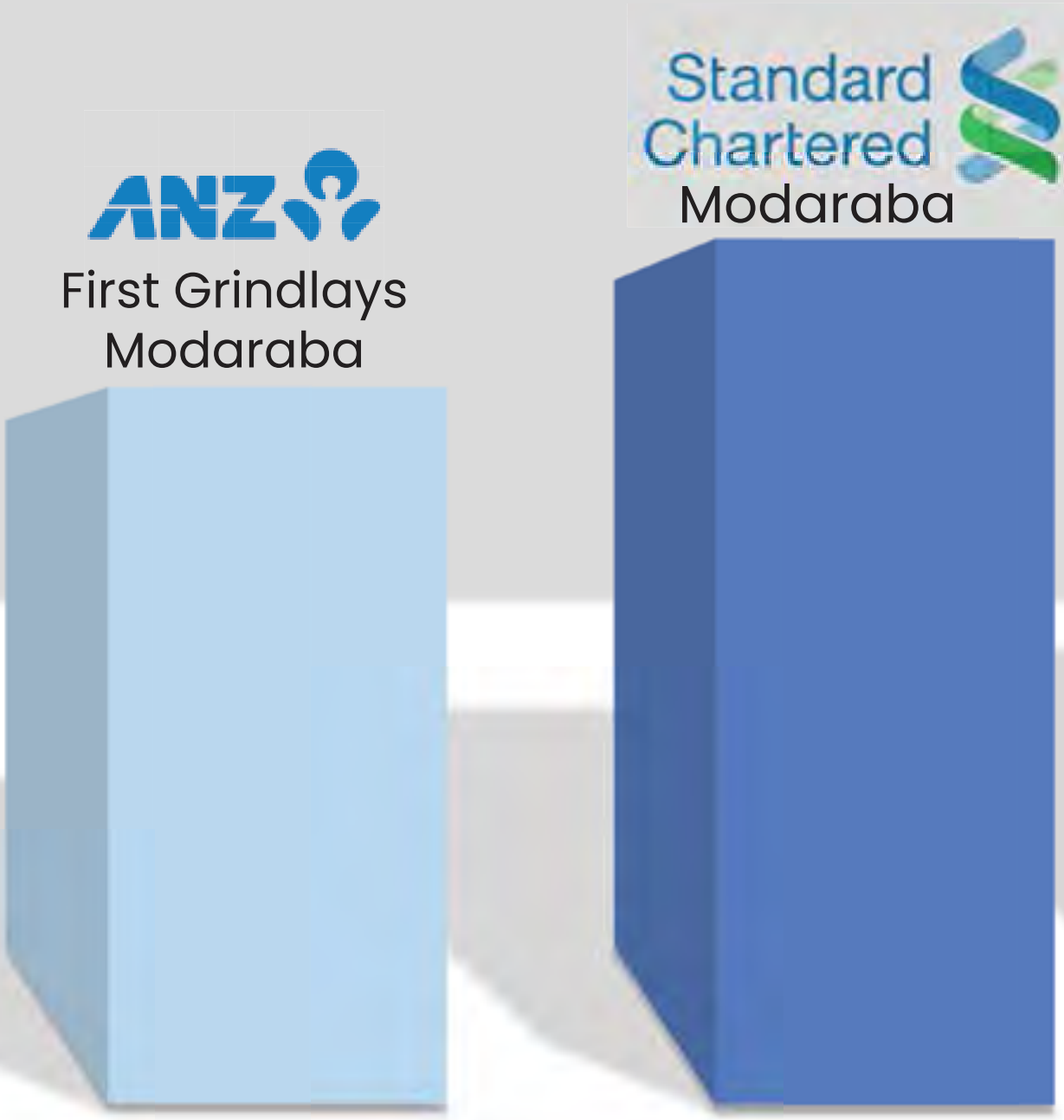
Trusted Halal Solutions
With Lasting Partnerships

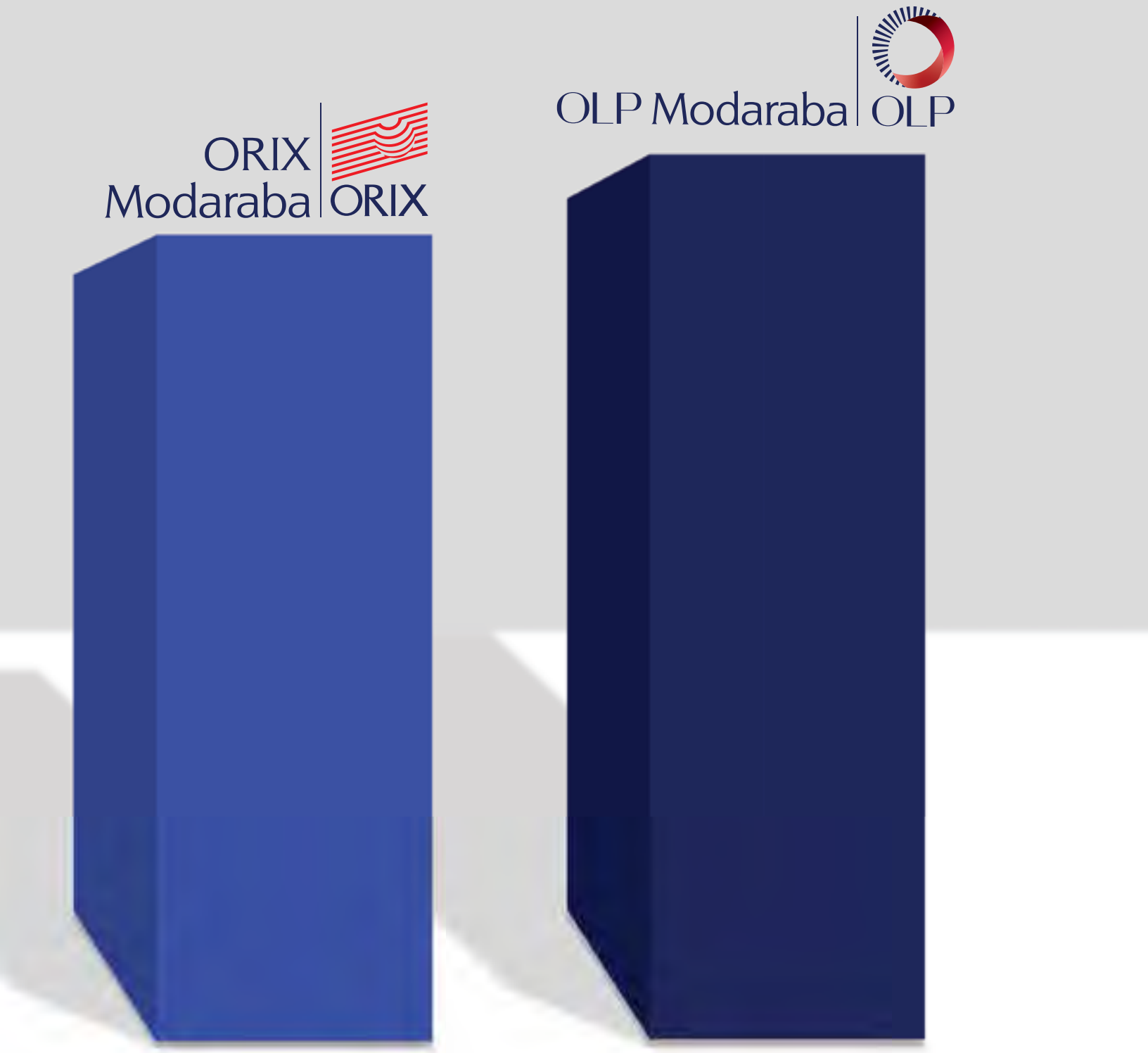
OLP | OLP Modaraba
(FORMERLY ORIX MODARABA)

2025
Annual Report

اعتماد، خلوص، وفا
یہی ہیں بنیاد سفر
جو ساتھ چلیں،
وہی منزلوں کے رہبر بنے

38
YEARS
OF EXCELLENCE


ANZ
First Grindlays
Modaraba
Standard
Chartered
Modaraba


ORIX
Modaraba
ORIX
OLP Modaraba
OLP

LANDMARKS

1987

1). Agreement between Modaraba Management Company and Grindlays Bank PLC.

2). Musharika Agreement with Grindlays Bank Plc of PKR 21.8 Million for Modaraba to use the funds in its business.

3). Floatation of Share subscription form of First Grindlays Modaraba managed by(Grindlays Services of Pakistan (Pvt) Limited)

1989

Appointment of M/s Famco Associates & Co as Share Registrar for Modaraba

1992

1). Second Right Issue of 13.5 Million Modaraba Certificate

2). First Bonus Issue of 1.5 Million Modaraba Certificate

1993

Second Bonus Issue of 1.5 Million Modaraba Certificate

1996

Registration of Modaraba in Income Tax

1997

Forth Bonus Issue of 2.77 Modaraba Certificate

2006

Increase in Authorised Capital of Modaraba to 50 Million Modaraba Certificate

2009

Adoption of Islamic Financial Standard-2 (IFAS-2) of SECP

2014

Registration of Modaraba in Federal Sales Tax with FBR

2015

1). MOU between ORIX Leasing Pakistan Limited and Standard Chartered Bank (Pakistan) limited for the divestment of shareholding in Modaraba.

2). Profit After Tax crossed PKR 195 Million for the year.

3). Migration from LMS software to AIB software

2020

Implementation of State of the Art IT Infrastructure to Virtually manage the operation for uninterrupted service to the clients in Covid-19.

2022

1). Re-branding of name from ORIX Modaraba to OLP Modaraba

2). New Website

1990

1). First Right Issue of 5 Million Share Certificate

2). First Modaraba in the sector to have Crossed the PKR 1 Billion Landmark of net cumulative leases written

1991

First Branch office in Lahore

1994

Third Bonus Issue of 3.15 Million Modaraba Certificate

1995

1). Approval for the Issuance of Certificate of Musharika by Registrar of Modaraba Companies and Modarabas.

2). Change of Financial Year from December to June

2000

1). Branch office in Islamabad

2). First Annual Review Meeting of Modaraba

3.) Launch of COMs to general public

2004

1). First time highest Rating of A1+ in short term and AA+ in Long term in the Modaraba and Leasing Sector

2). Change of name from First Grindlays Modaraba to Standard Chartered Modaraba

2011

Registration of Modaraba in Sindh Revenue Board

2013

Registration of Modaraba in Sindh Revenue Board

2016

Change of name from Standard Chartered Modaraba to ORIX Modaraba

2019

Appointment of First Female Director

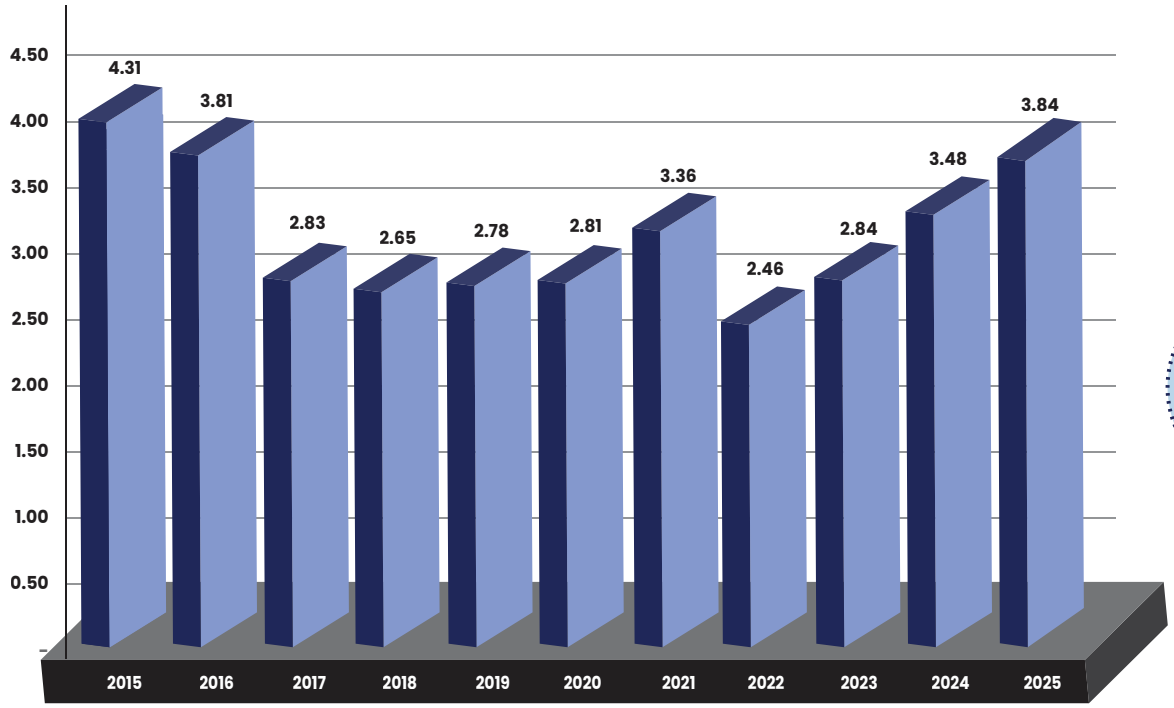
2024

Change in the Registered Address of Management Company

2025

Chaired by Independent Director

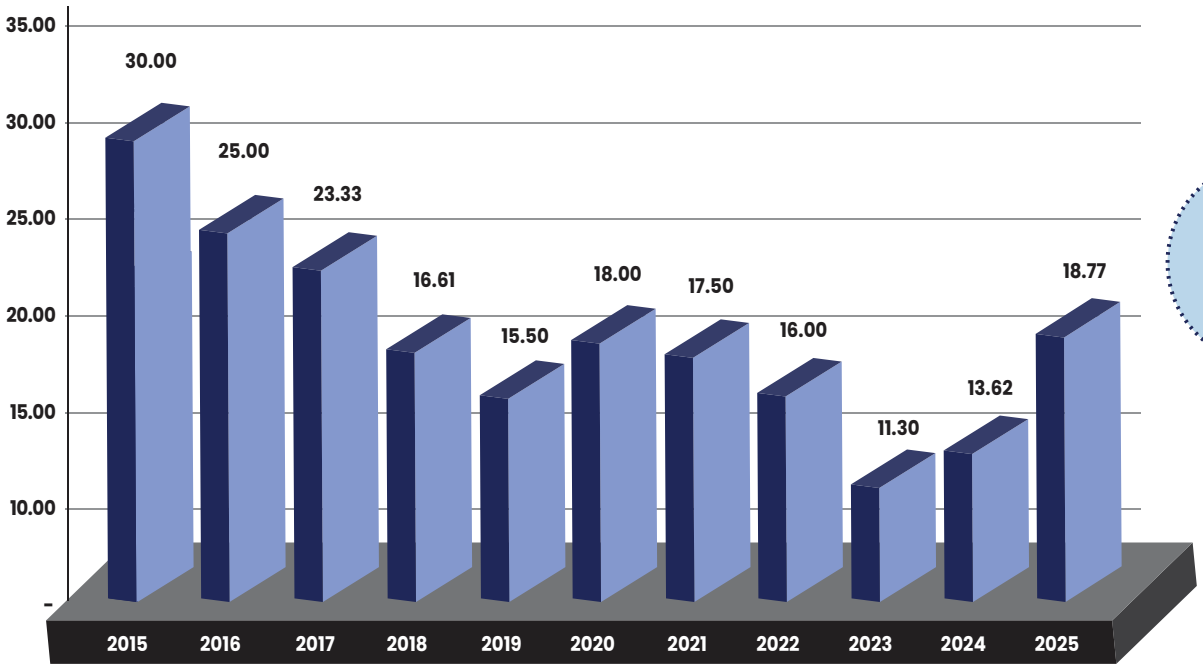
EARNINGS PER CERTIFICATE



3.84

2025

MARKET VALUE PER CERTIFICATE



18.77

2025

GROUP PROFILE

ORIX Corporation (ORIX) is a diversified financial services group. Along with its subsidiaries, it offers leasing, lending, rentals, automobile leasing and rentals, life insurance and card loans, trust and banking services, and real estate services to SMEs, corporates, and individuals. It also invests in, develops, and leases offices, commercial facilities, rental condominiums, and logistics centers. Apart from financial services, the Group deals in the areas of concession, agriculture, power generation, energy conservation, resources and waste processing, electric power supply, car sharing, and automobile management.

It operates through the following segments: Corporate Financial Services, Maintenance Leasing, Real Estate, Investment and Operation, Retail, and Overseas Business. The Corporate Financial Services segment offers leasing and loans to small and medium-sized enterprises. The Maintenance Leasing segment consists of automobile leasing, car sharing, and equipment rental services. The Real Estate segment deals with property development, leasing, and facilities management. The Investment and Operation segment comprises environment and energy-related business, loan servicing, and principal investments. The Retail segment offers life insurance, banking, and card loan services. The Overseas Business segment engages in financial services through overseas subsidiaries, business development and investment with business partners abroad, and aircraft and ship-related businesses.

The company has its operations spanning the US, Asia, Oceania, the Middle East, and Europe. ORIX is headquartered in Minato-ku, Tokyo, Japan and is listed on Tokyo and New York Stock Exchanges.

ORIX CORPORATION, JAPAN – FINANCIAL HIGHLIGHTS:

YEARS ENDED MARCH 31 (YEN IN BILLION)

	2025	2024	2022	2021	2020
Total revenue	2,874.82	2,814.36	2663.65	2,520.36	2,292.70
Total expense	2,542.99	2,453.64	2327.73	2,218.28	2,033.89
"Income before income taxes, discontinues operation and extraordinary gain"	480.46	469.97	392.17	504.87	287.56
Net Income attributable to ORIX Corporation shareholders	351.63	346.13	290.34	312.13	192.38
ORIX Corporation Shareholder equity	4,089.78	3,941.46	3,543.61	3,261.41	3,028.46
Total assets	16,866.25	16,322.10	15,289.38	14,270.67	13,563.08
ROE (in percentage)	8.80	9.20	8.5	9.90	6.40
ROA (in percentage)	2.12	2.19	1.96	2.24	1.44
ORIX Corporation shareholder equity per share (Yen)	3.60	3.42	3.03	2,732.88	2,487.77
Cash Dividend (Yen)	135.59	99.90	106.29	85.00	78.00
Number of employees	34,000	34,000	34,000	32,235	33,000

OLP Modaraba

OLP Modaraba (OLPM) started its operations in 1987 as the First Grindlays Modaraba (FGM). The Modaraba, since then, continues growing its clientele and financial footing. In the year 2000, Standard Chartered Bank acquired the ANZ Grindlays Bank Asia operations. With this acquisition, FGM became a part of the global banking Standard Chartered Group PLC conglomerate. During these years, Standard Chartered Modaraba (SCM) became a pioneering Islamic Financial Institution in Pakistan. In 2016, ORIX Group of Japan acquired the SCB shareholding in SCM. This was a landmark transaction where one of the world's largest rental and asset management conglomerate via OLPFS entered into specialized Islamic finance space, acquiring an entity that is undoubtedly a thought leader in the Pakistani Islamic Financial Market.

OLP Financial Services Pakistan Limited and OLP Services Pakistan (Pvt) Limited (formerly ORIX Services Pakistan (Pvt) Limited) each own ten percent shareholding in OLPM and hence are the associated companies of OLPM. The OLP Modaraba is a member of NBFI & Modaraba Association of Pakistan and

OUR GEOGRAPHICAL PRESENCES

AWARDS 2025

1) **Support for Healthcare Organizations**

   International Award on Environmental, Health & Safety

2) **Support for Environmental Management**

   International Award on Environmental, Health & Safety

3) **Best Performance Award**

   NBFI & Modaraba Association of Pakistan

4) **Collaboration & Partnership**

   Corporate Social Responsibility Awards

5) **Engagement / Communication**

Corporate Social Responsibility Awards

6) **FPCCI Achievements Award**

Annual Environment Excellence Award

7) **Management Association of Pakistan**

39th Corporate Excellence Award

Mondelēz
QATPL
PBL
September
11
25

map
Management Association of Pakistan
39th CORPORATE

AA

Long Term

A1+

Short Term

BUSINESS MODEL

In Islamic Jurisprudence Modaraba is a kind of partnership, wherein one partner provides finance to the other partner for the purpose of carrying on business. The partner (or a group of partners) who provides the finance, is called the "Rabb-ul-Mal", whereas the other party who puts its management skills for the Modaraba is called the "Modarib" (working partner). The operations of Modaraba are being supervised by Registrar Modaraba SECP and also supervised by Shariah Advisor OLPM under the Shariah Governance Mechanism issued by SECP.

Key Inputs

- Rich background of Group ;
- Experienced Management ;
- Shariah Compliant financial services ;
- Strong credit controls protocols ; and
- Effective controls mechanism.

Key Outputs

- Good market reputation ;
- Stable credit rating;
- Return on investment ; and
- Consistent profitability.

During the year there has been no change in the business model of Modaraba.

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ABOUT THE REPORT

Dear Reader,
OLP Modaraba has always been transparent in its practices of value creation for its investors of financial capital. We remain committed to strong corporate governance and leadership as well as transparency in our disclosures. The Report is organized to assist our readers in assessing our business by providing information about the capitals of the Modaraba. We have followed the Best Corporate Reporting Criteria issued by ICAP for the year ended June 30, 2025 to design this Annual Report to give readers an insight into the strategic thinking that drives OLP Modaraba forward, encompassing our strategy, governance, performance and prospects in the context of global environment.

This report integrates the following sections:

- Organizational overview and external environment
- Strategy and resource allocation
- Risks and opportunities
- Governance
- Corporate social responsibility
- Stakeholder's relationship and engagement
- Future Outlook
- Performance and Position
- Sustainability
- Excellence in corporate reporting

We will continue to review our reporting approach to ensure it meet best practice reporting standards and the expectations of our stakeholders to provide visibility on how we create sustainable value for the community we serve. To ensure that readers are able to correctly understand these activities, we must take a systematic view of financial information linked directly to business activities and non-financial information, and provide explanations accordingly. Such reports help to increase investors' confidence in the corporate practices adopted by the organization.

This report covers the period from July 01, 2024 to June 30, 2025.

Please find below the QR scan code for downloading the Annual Report.

QR CODE

MODARABA INFORMATION

Modaraba Company
OLP Services Pakistan (Pvt) Limited

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

Company Secretary
Mr. Muhammad Siddique

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

Human Resource and Remuneration (HR&R) Committee	
Ms. Naila Hasan	Chairperson
Mr. Ramon Alfrey	Member
Mr. Raheel Qamar Ahmad	Member

Risk Committee	
Mian Faysal Riaz	Chairman
Mr. Nausherwan Adil	Member
Mr. Raheel Qamar Ahmad	Member
Mr. Ramon Alfrey	Member

Shariah Advisor

Mufti Faisal Ahmed

Auditors

KPMG Taseer Hadi & Co. Chartered Accountants

Bankers/ Financial Institutions

Standard Chartered Bank (Pakistan) Limited (Saadiq)
Meezan Bank Limited
United Bank Limited (UBL Ameen)
Bank Alfalah Limited (Islamic banking)
Allied Bank Limited (Islamic banking)
Bank Al Habib Limited (Islamic banking)
Habib Bank Limited (Islamic banking)
Al - Barka Bank (Pakistan) Limited
Pakistan Mortgage Refinance Company Limited
MCB Islamic Bank Limited
Habib Metropolitan Bank Limited (Islamic Banking)
Askari Bank Limited (Islamic Banking)

Legal Advisors

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

Modaraba Company Registered Office

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

Modaraba Head Office:

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

Lahore Branch:

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

Islamabad Branch:

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

Registrars & Share Registration Office:

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

INTRODUCTORY

OLP MODARABA
NOTICE OF DISTRIBUTION OF PROFIT, TRANSFER BOOK CLOSURE AND TWENTY SIXTH ANNUAL REVIEW MEETING

At the meeting held on September 25, 2025, the Board of Directors of the OLP Services Pakistan (Private) Limited was pleased to announce a net profit for OLPM of PKR 174.077 million for the year ended June 30, 2025. The Board also approved a cash dividend @ 25 % (PKR 2.50 per certificate of PKR 10/ each) for the year ended June 30, 2025.

Twenty Sixth Annual Review Meeting (ARM) of certificate-holders of OLPM will be held on Tuesday, October 28, 2025 at 11:00 a.m. at (Iqbal Auditorium of National Institute of Banking and Finance, Pakistan), located at Maulvi Tamizuddin Khan Road (M.T. Khan Road) Karachi both in person as well as electronically through video link arrangement, to review the performance of the Modaraba for the year ended June 30, 2025.

Closure of Certificate Transfer Books

For the purpose of ascertaining entitlement of the aforementioned dividend and to attend Annual Review Meeting, the certificate transfer books will remain closed from Tuesday, October 21, 2025 to Tuesday, October 28, 2025 (both days inclusive). Transfers received in order at the office of our Registrar, FAMCO Share Registration Service (Pvt.) Ltd. 8-F, Next to Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi, before the close of business hours on Monday, October 20, 2025 will be treated as in time for the purpose of entitlement to dividend and to attend Annual Review Meeting respectively.

Participation in Annual Review Meeting

Certificate holders who are interested to attend the ARM through online platform and whose names appeared in the book of the Modaraba by the close of business (5:00 PM) on October 20, 2025 are requested to get themselves registered by sending their particulars at the designated email address (secretariat@olpmodaraba.com), mentioning their names, CNIC number, Folio number, cell phone number and email address. The webinar link would be provided only to the registered certificate holders who have provided all the requested information at the above designated email address. Members will be registered, after necessary verification as per the above requirement and will be provided a video-link by the Modaraba via email. Only those members will be accepted at the ARM via video-conferencing whose names match the details shared with the Modaraba for registration.

Annual Report

In terms of Section 223 (6) and (7) of the Companies Act 2017 and pursuant to S.R.O. 389(I)/2023 dated March 21,2023, the Annual Report of OLP Modaraba for the year ended June 30, 2025 have been uploaded on the Modaraba's website at below link:

WEB LINK	QR Code
https://www.olpmodaraba.com/wp-content/uploads/2025/10/OLP-Modaraba-Annual-Report-June-2025.pdf	

Notwithstanding the above, the Modaraba will provide hard copies of the audited financial statements, to any Member on their request, at their registered address, free of cost, within one (1) week of receiving such request.

On Behalf of the Board

Muhammad Siddique
Company Secretary
October 06, 2025

Notes:

Electronic Transfer of Dividend

As per SECP directives, the dividend of Certificate holders whose CNIC/SNIC are not available with the Shares Registrar could be withheld. Certificate holders are therefore, requested to submit a copy of their valid CNIC (if not already provided) to the Modaraba's Shares Registrar, FAMCO Share Registration Service (Pvt.) Ltd. 8-F, Near Hotel Faran, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi. In the absence of a Member's valid CNIC/SNIC, the Modaraba will be constrained to withhold payment of dividend to such Members.

Please also note that in accordance with the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a Modaraba to pay cash dividend to certificate holders only through electronic mode directly into the bank account designated by the entitled certificate holders. In order to receive your dividend directly into your Bank account, please complete the particulars as mentioned in Electronic Credit Mandate Form and return the same duly signed along with a copy of your CNIC to our Registrar.

In case of non-communication of bank account details, the Modaraba would be constrained to act in accordance with the provisions of law, for withholding the amount of dividend which may be payable by the Modaraba. CDC certificate-holders are requested to submit their Dividend Mandate and CNIC directly to their broker (participant)/CDC.

You can find the Electronic Credit Mandate Form on Notices and Announcements Section at OLPM website www.olpmodaraba.com. Further, the same is also available on website of FAMCO Share Registration Services (Private) Limited https://famcosrs.com. You may contact us at askus@olpmodaraba.com for this purpose.

With Holding Tax On Dividend:

Tax Requirements: The dividend income on certificates is liable to deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001 and pursuant to the provisions of Finance Act, 2025, the 'Filer' and 'Non-Filer' certificate holders will pay tax on dividend income @ 15% and 30% respectively. The Filer status of certificate holders will only be determined on the basis of latest available Active Taxpayers List (ATL) uploaded by the Federal Board of Revenue (FBR) on their website http://www.fbr.gov.pk.

In case a Folio / CDS Account is jointly held, each joint-holder will be treated separately as Filer or Non-Filer and tax will be deducted on the gross dividend amount determined by bifurcating the certificate holding of each joint-holder on equal proportions, except where certificate holding proportion of joint-holders is pre-defined as per the records of Modaraba's Certificate Registrar and thus tax rates will be applied in line with respective proportions. Those certificate holders, who are holding certificates jointly, are requested to update/ notify the certificate holding proportions of Principal and Joint-holder(s) in writing to our certificate Registrar latest by October 20, 2025 at their above referred office address.

In this regard, all certificate holders, whose names are not entered into the ATL despite the fact that they are filers, are advised to make sure that: (i) their names appear into the ATL before start of closed period (referred above), otherwise they will be treated as non-filers for tax deduction purpose, and (ii) a copy of their National Tax Number is submitted to their relevant Participant / CDC Investor Account Services or to our Share Registrar (in case of physical certificate holding only) at their above referred office address.

Corporate certificate holders are requested to provide of a copy of valid Income Tax Exemption Certificate issued by the concerned authority to OLPM which is compulsorily required to claim tax exemption in terms of clarification issued by FBR vide their letter C.No.1 (43) DG (WHT)/ 2008-Vol.11-66417-R dated 12 May 2015. In case you are subject to any special tax rate, please also provide a copy of relevant certificate issued by the concerned authority. Relevant copies should reach our Share Registrar at their above-mentioned office address

Conversion of Physical Shares into the Book Entry Form

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 Companies Act, 2017 by replacing physical shares issued by them into book entry form.

Members having physical shareholding are encouraged to open CDC sub - account with any of the brokers or Investor Account directly with the CDC to convert their physical shares into scrip less form. This will facilitate them in many ways, including safe custody and sale of shares any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

Unclaimed shares and dividends

The members who have not yet claimed their shares and cash dividends, which are either kept with the members themselves or returned as undelivered to the Share Registrar and Transfer Agent of the Company, are requested to make a claim for such unpaid/unclaimed dividends and/or shares with the Company.

Claims can be lodged by members on claim forms as are available on the Company's website. Claim forms must be submitted to the Company's Share Registrar, M/s. Famco Share Registration Service (Pvt) Limited. for receipt of dividend / shares.

فولیو/سی ڈی ایس اکاؤنٹ مشترکہ طور پر رکھنے کی صورت میں، ہر جوائنٹ ہولڈر کو فائلر یا نان فائلر کے طور پر الگ الگ سمجھا جائے گا اور ہر جوائنٹ ہولڈر کے سرٹیفکیٹ ہولڈنگ کو مساوی تناسب پر تقسیم کر کے طے شدہ مجموعی منافع کی رقم پر ٹیکس کاٹا جائے گا، سوائے اس کے کہ جہاں مضاربہ کے سرٹیفکیٹ رجسٹرار کے ریکارڈ کے مطابق جوائنٹ ہولڈرز کا سرٹیفکیٹ ہولڈنگ کا تناسب پہلے سے طے شدہ ہو۔ اور اس طرح ٹیکس کی شرحیں متعلقہ تناسب کے مطابق لاگو ہوں گی۔ وہ سرٹیفکیٹ ہولڈرز، جن کے پاس مشترکہ طور پر سرٹیفکیٹ ہیں، ان سے درخواست کی جاتی ہے کہ وہ پرنسپل اور جوائنٹ ہولڈرز کے سرٹیفکیٹ ہولڈنگ تناسب کو 20 اکتوبر 2025 تک ہمارے سرٹیفکیٹ رجسٹرار کو تحریری طور پر اپنے اوپر دیئے گئے دفتری پتہ پر اپ ڈیٹ/مطلع کریں۔

اس سلسلے میں، تمام سرٹیفکیٹ ہولڈرز، جن کے نام ATL میں داخل نہیں کیے گئے ہیں باوجود اس کے کہ وہ فائلر ہیں، انہیں یہ یقینی بنانے کا مشورہ دیا جاتا ہے کہ: (ا) ان کے نام اختتامی مدت کے آغاز سے قبل ATL میں ظاہر ہوتے ہوں (اوپر حوالہ دیا گیا ہے)، بصورت دیگر ان کے ساتھ ٹیکس کٹوتی کے مقصد کے لیے نان فائلرز کے طور پر سمجھا جائے گا، اور (۲) ان کے نیشنل ٹیکس نمبر کی ایک کاپی ان کے متعلقہ شرکت کنندہ/سی ڈی سی سرمایہ کار اکاؤنٹ سروسز یا ہمارے شیئر رجسٹرار (صرف فزیکل سرٹیفکیٹ رکھنے کی صورت میں) کو ان کے مذکورہ دفتر کے پتہ پر جمع کرائی جائے۔

کارپوریٹ سرٹیفکیٹ ہولڈرز سے درخواست کی جاتی ہے کہ وہ متعلقہ اتھارٹی کی طرف سے جاری کردہ درست انکم ٹیکس استثنیٰ سرٹیفکیٹ کی ایک کاپی OLPM کو فراہم کریں جو کہ FBR کی جانب سے جاری کردہ لیٹر C.No.1 (43) DG (WHT)/ 2008-Vol 1.1-66417-R مورخہ 12 مئی 2015 کے تحت ٹیکس سے استثنیٰ کا دعویٰ کرنے کیلئے لازمی ہے۔ اگر آپ کسی خاص ٹیکس کی شرح کے تابع ہیں، تو براہ کرم متعلقہ اتھارٹی کی طرف سے جاری کردہ متعلقہ سرٹیفکیٹ کی ایک کاپی بھی فراہم کریں۔ متعلقہ کاپیاں ہمارے شیئر رجسٹرار کو ان کے مذکورہ دفتر کے پتے پر پہنچنی چاہئیں۔

فزیکل شیئرز کی بک انٹری فارم میں تبدیلی:

SECP نے اپنے لیٹر نمبر CSD/ED/Misc/2016-639-640 مورخہ 26 مارچ 2021 کے ذریعے لسٹڈ کمپنیوں کو ہدایت دی ہے کہ وہ کمپنیز ایکٹ 2017 کے سیکشن 72 کی شقوں کے مطابق اپنے جاری کردہ فزیکل شیئرز کو بک انٹری فارم میں تبدیل کریں۔

فزیکل شیئرز کے حامل ممبران کو ہدایت دی جاتی ہے کہ وہ کسی بھی بروکر کے ساتھ CDC سب اکاؤنٹ کھولیں یا براہ راست CDC کے ساتھ انویسٹر اکاؤنٹ کھولیں تاکہ اپنے فزیکل شیئرز کو سکرپ لیس فارم میں تبدیل کر سکیں۔ اس سے انہیں کئی فوائد حاصل ہوں گے، جن میں شیئرز کی محفوظ تحویل اور کسی بھی وقت شیئرز کی فروخت شامل ہے، کیونکہ پاکستان اسٹاک ایکسچینج کے موجودہ ضوابط کے مطابق فزیکل شیئرز کی تجارت کی اجازت نہیں ہے۔

غیر دعوی شدہ شیئرز اور ڈیویڈنڈز:

ایسے ممبران جنہوں نے ابھی تک اپنے شیئرز اور نقد ڈیویڈنڈز کا کلیم نہیں کیا، جو یا تو ممبران کے پاس محفوظ ہیں یا کمپنی کے شیئر رجسٹرار اور ٹرانسفر ایجنٹ کو ناقابل ترسیل ہونے کی صورت میں واپس بھیجے گئے ہیں، سے درخواست ہے کہ وہ اپنے غیر ادا شدہ/ غیر دعوی شدہ ڈیویڈنڈز اور/ یا شیئرز کا کمپنی سے کلیم کریں۔

ممبران کمپنی کی ویب سائٹ پر دستیاب کلیم فارم کے ذریعے کلیم دائر کر سکتے ہیں۔ کلیم فارم کو کمپنی کے شیئر رجسٹرار میسرز فاکو شیئر رجسٹرار سروس (پرائیویٹ) لمیٹڈ کے پاس جمع کروایا جانا ضروری ہے تاکہ ڈیویڈنڈز/شیئرز وصول کیے جا سکیں۔

مندرجہ بالا کے باوجود، مضاربہ آڈٹ شدہ مالیاتی گوشواروں کی ہارڈ کاپیاں کسی بھی ممبر کی درخواست پر ان کے رجسٹرڈ پتے پر بلا معاوضہ ایک (1) ہفتے کے اندر فراہم کرے گا، بشرطیکہ ایسی درخواست موصول ہو۔

06 اکتوبر 2025ء

بتوسط بورڈ

محمد صدیق

کمپنی سیکریٹری

نوٹس:

ڈیویڈنڈ کی الیکٹرانک طور پر منتقلی:

ایس ای سی پی کی ہدایات کے مطابق، سرٹیفکیٹ ہولڈرز جن کے سی این آئی سی/ایس این آئی سی شیئرز رجسٹرار کے پاس دستیاب نہیں ہیں ان کا ڈیویڈنڈ روک لیا جائے گا۔ لہٰذا سرٹیفکیٹ ہولڈرز سے درخواست کی جاتی ہے کہ وہ مضاربہ کے شیئرز رجسٹرار فاکمو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کے دفتر F-8، ہوٹل فاران سے آگے، نرسری، بلاک 6، پی ای سی ایچ ایس، شاہراہ فیصل کراچی کے پاس اپنے فعال شناختی کارڈ کی فوٹو کاپی (اگر اس سے قبل فراہم نہ کی گئی ہو) جمع کرائیں۔ ممبران کی جانب سے فعال سی این آئی سی/ایس این آئی سی کی کاپی جمع نہ کرانے پر مضاربہ ایسے ممبران کی ڈیویڈنڈ کی ادائیگی روکنے پر مجبور ہوگا۔

براہ کرم یہ بھی نوٹ کریں کہ کمپنیز ایکٹ 2017 کے سیکشن 242 کی دفعات کے تحت، مضاربہ کے لیے لازمی ہے کہ وہ سرٹیفکیٹ ہولڈرز کو نقد ڈیویڈنڈ صرف الیکٹرانک موڈ کے ذریعے براہ راست حقدار سرٹیفکیٹ ہولڈرز کے نامزد کردہ بینک اکاؤنٹ میں ادا کرے۔ اپنا منافع براہ راست اپنے بینک اکاؤنٹ میں وصول کرنے کے لیے، براہ کرم الیکٹرانک کریڈٹ مینڈیٹ فارم میں بیان کردہ تفصیلات کو مکمل کریں اور دستخط کر کے اپنے شناختی کارڈ کی ایک کاپی کے ساتھ ہمارے رجسٹرار کو واپس کریں۔

بینک اکاؤنٹ کی تفصیلات کی اطلاع نہ دینے کی صورت میں، مضاربہ کو قانون کی دفعات کے مطابق عمل کرنے پر مجبور کیا جائے گا، تاکہ مضاربہ کی جانب سے قابل ادائیگی ڈیویڈنڈ کی رقم کو روک دیا جائے۔ سی ڈی سی سرٹیفکیٹ ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنا ڈیویڈنڈ مینڈیٹ اور شناختی کارڈ براہ راست اپنے بروکر (شرکاء)/سی ڈی سی کو جمع کرائیں۔

آپ نوٹسز اور اعلانات کے سیکشن پر الیکٹرانک کریڈٹ مینڈیٹ فارم OLPM کی ویب سائٹ www.olpmodaraba.com پر حاصل کر سکتے ہیں۔ مزید یہ کہ یہ فاکمو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کی ویب سائٹ https://famcosrs.com پر بھی دستیاب ہے۔ اس مقصد کے لیے آپ ہم سے askus@olpmodaraba.com پر رابطہ کر سکتے ہیں۔

ڈیویڈنڈ پر ودھ ہولڈنگ ٹیکس:

ٹیکس کی ضروریات: سرٹیفکیٹس پر ڈیویڈنڈ کی آمدنی انکم ٹیکس آرڈیننس 2001 کے سیکشن 150 کے تحت ودہولڈنگ ٹیکس کی کٹوتی کے لیے ذمہ دار ہے اور فنانس ایکٹ 2025 کی دفعات کے مطابق، ''فائلر'' اور ''نان فائلر'' سرٹیفکیٹ ہولڈر ڈیویڈنڈ آمدنی پر بالترتیب 15% اور 30% ٹیکس ادا کریں گے۔ سرٹیفکیٹ ہولڈرز کے فائلر کی حیثیت کا تعین فیڈرل بورڈ آف ریونیو (FBR) کی جانب سے ان کی ویب سائٹ http://www.fbr.gov.pk پر اپ لوڈ کردہ تازہ ترین دستیاب ایکٹو ٹیکس پیئرز لسٹ (ATL) کی بنیاد پر کیا جائے گا۔

OLP مضاربہ نوٹس برائے منافع کی تقسیم، ٹرانسفر بک کی بندش اور سالانہ چھبیسویں میٹنگ کا جائزہ

OLP سروسز پاکستان (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز مورخہ 25 ستمبر 2025ء کو ہونے والی منعقدہ میٹنگ میں، 30 جون 2025ء کو اختتام پذیر ہونے والے سال کیلئے OLPM کے خالص منافع 174.077 ملین روپے کا اعلان کرتے ہوئے خوشی محسوس کر رہے ہیں۔ بورڈ نے 30 جون 2025ء کو اختتام پذیر ہونے والے سال کیلئے 25% کے حساب سے (یعنی 10 روپے ہر ایک کے حساب سے فی سرٹیفکیٹ 2.50 روپے) کیش ڈویڈنڈ کی بھی منظوری دی۔

30 جون 2025ء کو ختم ہونے والے سال کیلئے مضاربہ کی کارکردگی کا ویڈیو لنک کے انتظام کے ذریعے ذاتی طور پر اور الیکٹرانک طریقہ سے جائزہ لینے کیلئے OLPM کے حامل سرٹیفکیٹ کی چھبیسویں سالانہ جائزہ میٹنگ (ARM) بروز منگل 28 اکتوبر 2025 کو صبح 11:00 بجے (اقبال آڈیٹوریم آف نیشنل انسٹی ٹیوٹ آف بینکنگ اینڈ فنانس، پاکستان)، واقع مولوی تمیز الدین خان روڈ (ایم ٹی خان روڈ) کراچی میں منعقد کی جائے گی۔

سرٹیفکیٹ ٹرانسفر بکس کی بندش:

مذکورہ منافع کا حق دار ہونے کی تصدیق اور سالانہ جائزہ اجلاس میں شرکت کے لئے، سرٹیفکیٹ ٹرانسفر کی کتابیں منگل، 21 اکتوبر 2025 سے منگل، 28 اکتوبر 2025 (دونوں دن شامل) تک بند رہیں گی۔ ٹرانسفرز ہمارے رجسٹرار، فاکوشیئر رجسٹریشن سروس (پرائیویٹ) لمیٹڈ، F-8، نزد ہوٹل فاران، نرسری، بلاک 6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی کے دفتر میں کاروباری اوقات کے اختتام سے قبل موصول ہو جانی چاہئیں، ان کو منافع کے حق دار ہونے اور سالانہ جائزہ اجلاس میں شرکت کے لئے بروقت تصور کیا جائے گا۔

سالانہ جائزہ اجلاس میں شرکت:

سرٹیفکیٹ ہولڈرز جو آن لائن پلیٹ فارم کے ذریعے اے آر ایم میں شرکت کرنے میں دلچسپی رکھتے ہیں اور جن کے نام مضاربہ کی کتاب میں 20 اکتوبر 2025 کو کاروبار کے اختتام پر (5 بجے شام) شائع ہوئے ہیں ان سے درخواست کی جاتی ہے کہ وہ اپنی تفصیلات نام، شناختی کارڈ نمبر، فولیو نمبر، سیل فون نمبر، اور ای میل ایڈریس مقررہ ای میل ایڈریس (Secretariat @olpmodaraba.com) پر بھیج کر اپنا اندراج کروالیں۔ ویبنار کا لنک ان رجسٹرڈ سرٹیفکیٹ ہولڈرز کو فراہم کیا جائے گا جنہوں نے درخواست کردہ تمام معلومات فراہم کی ہیں۔ ممبران کو ضروری تصدیق کے بعد مذکورہ شرائط کے مطابق رجسٹر کیا جائے گا اور مضاربہ کی جانب سے انہیں ای میل کے ذریعے ویڈیو لنک فراہم کیا جائے گا۔ صرف وہی ممبران ویڈیو کانفرنسنگ کے ذریعے اے آر ایم (ARM) میں شرکت کر سکیں گے جن کے نام رجسٹریشن کے لیے مضاربہ کے ساتھ شیئر کی گئی تفصیلات سے مطابقت رکھتے ہوں گے۔

سالانہ رپورٹ:

کمپنیز ایکٹ 2017 کے سیکشن (7) & (6)223 کے تحت اور S.R.O. 389(I)/2023 مورخہ 21 مارچ 2023ء کے تحت، 2025ء کو ختم ہونے والے سال کی سالانہ رپورٹ بھی مضاربہ کی ویب سائٹ پر درج ذیل لنک پر اپ لوڈ کر دی گئی ہے:

QR کوڈ	ویب لنک
	https://www.olpmodaraba.com/wp-content/uploads/2025/10/OLP-Modaraba-Annual-Report-June-2025.pdf

VISION

Our vision is to be the leading Shariah compliant financial services entity by constantly anticipating market needs with the aim to create value for stakeholders.

MISSION

Our mission is to meet the client needs by ensuring service quality, care for the environment, providing growth opportunities to our employees and creating value for our certificate holders

CORE VALUES

Integrity

We promote honesty and fairness in all our actions.

Clients Focus

We are because of our clients and our success lies in their satisfaction.

Teamwork

We work together to create synergies.

Innovation

We seek continuous improvement and encourage creativity.

Respect

We respect each other's feelings and opinions.

Ownership

We protect the interest of the Modaraba as if it is our own Business.

FORWARD LOOKING

As of October 2025, OLPM remains focused on sustaining its growth trajectory and deepening its role in Pakistan's Islamic finance sector. The broader economic environment has shown signs of stabilization, despite challenges posed by recent floods. Pakistan's GDP growth is estimated at 2.68% for FY 2025, supported by prudent fiscal management, improved external balances, and a significant decline in inflation.

Inflation has moderated , falling to 5.6% in September 2025, compared to 20.7% in April 2024. The average inflation rate for Q1 FY 2026 (July–September) stands at 3.5%, down from 10.4% during the same period last year. Fiscal discipline has improved, with the fiscal deficit contracting to 2.6% of GDP, and the primary surplus rising to 3.0%. Tax revenues have grown by 26.3% year-on-year, reaching Rs 9.3 trillion by September 2025. On the external front, the current account posted a surplus of US$ 1.9 billion, reversing last year's deficit of US$ 1.3 billion.

OLPM is well-positioned to leverage these macroeconomic gains. Our strategic priorities include expanding into high- and mid-tier SME segments under the Diminishing Musharika structure, and growing our consumer finance portfolio through assurance-based models and tailored offerings for High-Net-Worth individuals. We remain committed to maintaining asset quality while pursuing profitable growth across diversified portfolios.

To navigate the evolving financial landscape, OLPM has established a Principals Committee and Strategic Initiatives Unit. These bodies are driving innovation, enhancing operational efficiency, and ensuring our systems remain agile and client-centric. Planned investments in enhanced IT infrastructure and process automation are central to our strategy for reducing turnaround times and improving service delivery without compromising governance.

Human capital remains a cornerstone of our success. OLPM continues to invest in workforce development through structured learning programs, mentorship, and performance-driven growth opportunities. Our goal is to foster a culture of excellence, adaptability, and innovation across all levels of the organization.

Looking ahead, we see Islamic finance playing an increasingly vital role in Pakistan's financial inclusion and economic development. OLPM is committed to contributing meaningfully to this transformation. Our ambition is to strengthen our leadership position, enhance stakeholder value, and grow into the largest and most profitable Modaraba in the country.

MAJOR EVENTS

2024 August

- 273rd Board meeting

2024 September

- 274th Board meeting
- Announcement of 20% Cash Dividend
- 13th Board Human Resource & Remuneration Committee Meeting
- 5th Board Risk Committee Meeting
- 97th Board Audit Committee Meeting
- Training on Anti Money Laundering and Combating the financing of terrorism procedures
- In house shariah training by Shariah Advisor

2024 October

- 275th Board meeting
- Annual Review Meeting
- 6th Corporate Briefing Session
- 98th Board Audit Committee Meeting

2025 March

- 100th Board Audit Committee Meeting
- Training on Control Sample Testing (CST) Standards

2025 April

- 277th Board meeting
- 101st Board Audit Committee Meeting

2025 June

- 278th Board meeting

2024 November

- Distribution of 20% Cash Dividend to Certificate Holders

2024 December

- Due Diligence Review as per Regulatory Requirements

2025 February

- 276th Board meeting
- 99th Board Audit Committee Meeting

THE BOARD

GET TO KNOW YOUR BOARD OF DIRECTOR

Mr. Naveed Kamran Baloch

Chairman

Mr. Naveed Kamran Baloch is a distinguished retired civil servant of Pakistan, having served in the highest bureaucratic grade (BPS-22) in key federal positions including Cabinet Secretary and Finance Secretary of Pakistan. He belongs to the Pakistan Administrative Service and was promoted to Federal Secretary in October 2017.

He holds a Master's degree in Social Policy and Planning in Developing Countries from the London School of Economics. He is also a certified Board Director from the Pakistan Institute of Corporate Governance.

Throughout his career, Mr. Baloch has held pivotal roles such as:

- Executive Director to the World Bank (post-retirement)
- Chief Secretary Khyber Pakhtunkhwa
- Chairman, State Life Insurance Corporation of Pakistan
- Director General, National Institute of Management, Karachi
- Principal Secretary to the Chief Minister of Sindh
- Provincial Secretary for Finance, Food, and Information in the Government of Sindh

He has also served on the boards of major national institutions including the State Bank of Pakistan (SBP), Sui Northern Gas Pipelines Limited (SNGPL), Pakistan International Airlines (PIA), and Pakistan Telecommunication Company Limited (PTCL)

Mr. Baloch brings a wealth of experience in governance and institutional leadership to our organization.

Mr. Raheel Qamar Ahmad

Managing Director/ CEO

Mr. Raheel Qamar Ahmad is the CEO of OLPM. He has over 30 years of varied Corporate, Investment Banking and Islamic Finance experience during his various roles with multinational banks, large local banks, and development finance institutions in various geographies. He has also acted as a sell side advisor for entities in the Government of Pakistan privatization programme. He holds the distinction of providing key feedback to various apex regulators on legislation and regulations and representing the country in AML discussions. He holds a Masters in Business Administration from the Illinois Institute of Technology, Chicago (IIT) and a Bachelor of Science in Engineering from the University of Engineering and Technology, Lahore (UET). He is currently an independent Director on the board of AWT Investments Ltd. and an executive committee member of the Public Interest Law Association of Pakistan, The Professional Education Foundation and the Patients' Behbud Society, Agha Khan University Hospital. Mr. Ahmad has also been featured amongst the top 100 CEOs of Pakistan.

Mr. Nausherwan Adil
Independent Director

Mr. Nausherwan Adil is an MBA from Fairleigh Dickinson University New-Jersey, USA. He has over 30 years of prolific banking experience and has held various senior positions. He has twice served as Group Chief Operations National Bank of Pakistan. During his tenure with NBP, he has also served as Senior Executive Vice President & Regional Chief Executive - Europe Region where he was responsible for NBP Europe Operations in France and Germany. He contributed materially to overall institutional policy debate and strategy formulation at NBP.

Mr. Ramon Alfrey
Director

Mr. Ramon Alfrey joined the board of OLP Services Pakistan (Pvt) Limited (OSPL) in 2016. Since 1990, He has served the parent entity of OSPL i.e, the OLP Financial Services Pakistan Limited (OLP) in various senior capacities in Pakistan and UAE. His key appointments at OLP included Company Secretary, Chief Financial Officer and Group General Manager Planning and Strategy. In April 2020, he assumed the responsibility of Deputy Chief Executive Officer of OLPFS. Mr. Alfrey is a fellow member of the Institute of Chartered Accountants of Pakistan.

Mian Faysal Riaz
Director

Mian Faysal Riaz was been appointed as a member of the Board of Directors in May 2020. He is currently serving as Chief Operating Officer in OLP Financial Services Pakistan Limited. Having thirty (30) years of diverse experience, having worked in all front line revenue generating business segments of the leasing industry which include Corporate, Commercial Vehicle Division, Auto Lease/Financing, Operating and Micro Finance. Mr. Riaz has served in various capacities at OLPL's including postings as Zonal Head and Country Head Marketing. Mr. Riaz has attended various seminars and courses in Pakistan and abroad to enhance his professional abilities, these include High Impact Leadership Program and Building a Brighter Future which was held under ORIX Corporation's Global Leaders programme Japan.

Ms. Naila Hasan
Female Independent Director

Ms. Naila Hasan has over thirty years' experience of working in leading Multi-National Corporations (MNCs) both locally and internationally. She specializes in General Management, Marketing, Business Development, Commercial Operations, Market Access, Distributor Management and Compliance. Previously, Naila demonstrated leadership for AstraZeneca Pakistan, where she effectively managed relationships with local distribution partners. She also made significant contribution as the Therapy Area Director at GlaxoSmithKline's Middle East Africa regional office based in Dubai, spearheading the implementation of vital commercial strategies across the Middle East and Africa. She has an MBA degree from Institute of Business Administration (IBA) Karachi. Ms. Hasan has completed her director's certification from the Pakistan Institute of Corporate Governance and currently also serves on the Board of a Listed Textile Company and Vital Pakistan Trust.

Mr. Nadim D. Khan
Director

Nadim D. Khan has over 30 years of diversified senior financial management experience along with a wealth of knowledge in strategic planning, preparation of corporate plan, business retention & development, conducting market due diligence, risk management, compliance, human resource management, etc. His depth of experience comes from working with Standard Chartered Bank, ING Barings Securities, Elixir Securities Pakistan, AMZ Asset Management Limited, KASB Securities and Bench Matrix. He did his BBA from Grand Valley State University, Michigan and MBA from San Francisco State University, California, USA. He is also an Associate from the Institute of Bankers, Pakistan.

GET TO KNOW YOUR MANAGEMENT

Mr. Raheel Qamar Ahmad
Managing Director/ CEO

Muhammad Siddique
CFO & Company Secretary

Muhammad Siddique joined OLPM on July 01, 2009 as CFO and Company Secretary. He also holds the positions of Head Wealth Management in OLPM. Prior to this assignment, he was Head of Finance – Islamic Banking Division, SCBPL. He was associated with Standard Chartered Group since 2004 before the successful transfer of Modaraba and Modaraba Management Company ownership from SCBPL to OLPL in June 2016. He is a fellow member of the Institute of Chartered Accountants of Pakistan and has over 20 years' experience in various financial institutions and audit firms. He is also a former member of the Executive Committee of NBFI & Modaraba Association of Pakistan.

Salwat Ahmed
Director - Client Relationships
Pakistan

Salwat joined OLPM for his second tenure with the Modaraba on October 02, 2017. He was with OLPM from April 2008 till May 2013, as Head of Client Relationships – Central and North. Salwat moved from Modaraba to Standard Chartered Bank (Pakistan) Limited (SCBPL) and worked as Unit Head, Central for SME Business for one year before moving to Aseel Finance & Abu Dhabi National Islamic Finance (ADNIF), FAB Group. During his four years' stay at Aseel, he worked on various senior assignments in Credit Risk, Credit for UAE, Compliance and Islamic Subsidiaries. He has over 27 years of work experience in various Leasing/ Finance Companies and Commercial Bank including SCBPL, OLP Financial Services Pakistan Limited, PILCORP, PICL, and OLPM. Salwat is an MBA from Arkansas State University, USA and M Sc. Statistics from Punjab University, Lahore, Pakistan. He is also a charter holder from Association of Certified Anti Money Laundering Specialists (ACAMS)

Nadir Shah
Director - Employee Finance & Head HR

Currently working as Director Employee Finance and Head of Human Resource. He joined OLPM as Head of Human Resource and House Finance Diminishing Musharakah in July 2012. Nadir has also worked as Project Manager with Dolmen Group from 1991-2001. He joined SCBPL IT in 2001 for SCB and ANZ Grindlays integration project. He moved to SCBPL HR in 2005. He was working as HR Relationship manager before he joined OLPM. Mr. Nadir holds a Bachelor degree in IT.

Mohammad Arif Daya
Head of Technology and Operations

Mohammad Arif Daya has been associated with OLPM since 1991. Currently working as Head Operations. Previously, he was the Head of Credit Risk Control in OLPM since July 2010. Prior to his role as Head CRC, he served as Manager Finance. He is post graduate from Govt. College of Commerce & Economics and has over 31 years' experience in various financial institutions and audit firms.

Muhammad Asim Javed
Director - Risk Management

Asim is a seasoned Banking and Corporate Financing professional with over 26 years of experience in Relationship Management, Corporate Banking and Risk Management. He excels in structuring and negotiating financial transactions, providing tailored solutions to corporate clients across various industries. He has been part of leading Financial groups, such as Standard Chartered Group and Faysal Bank/Aitemar Group. Currently serving as Director - Risk Management at OLP Modaraba, he leads the Risk Appetite oversight and assessment processes. In this role, risk monitoring and management, overseeing special assets, and driving overdue recovery strategies is also included. Additionally, he is Vice Chairman of the Principals Committee, a senior-level internal committee responsible for shaping the strategic direction and goal-setting of the organization. With extensive experience in Relationship Management, Asim has successfully managed high-level corporate relationships across diverse business sectors, specializing in Islamic lending & financing products.

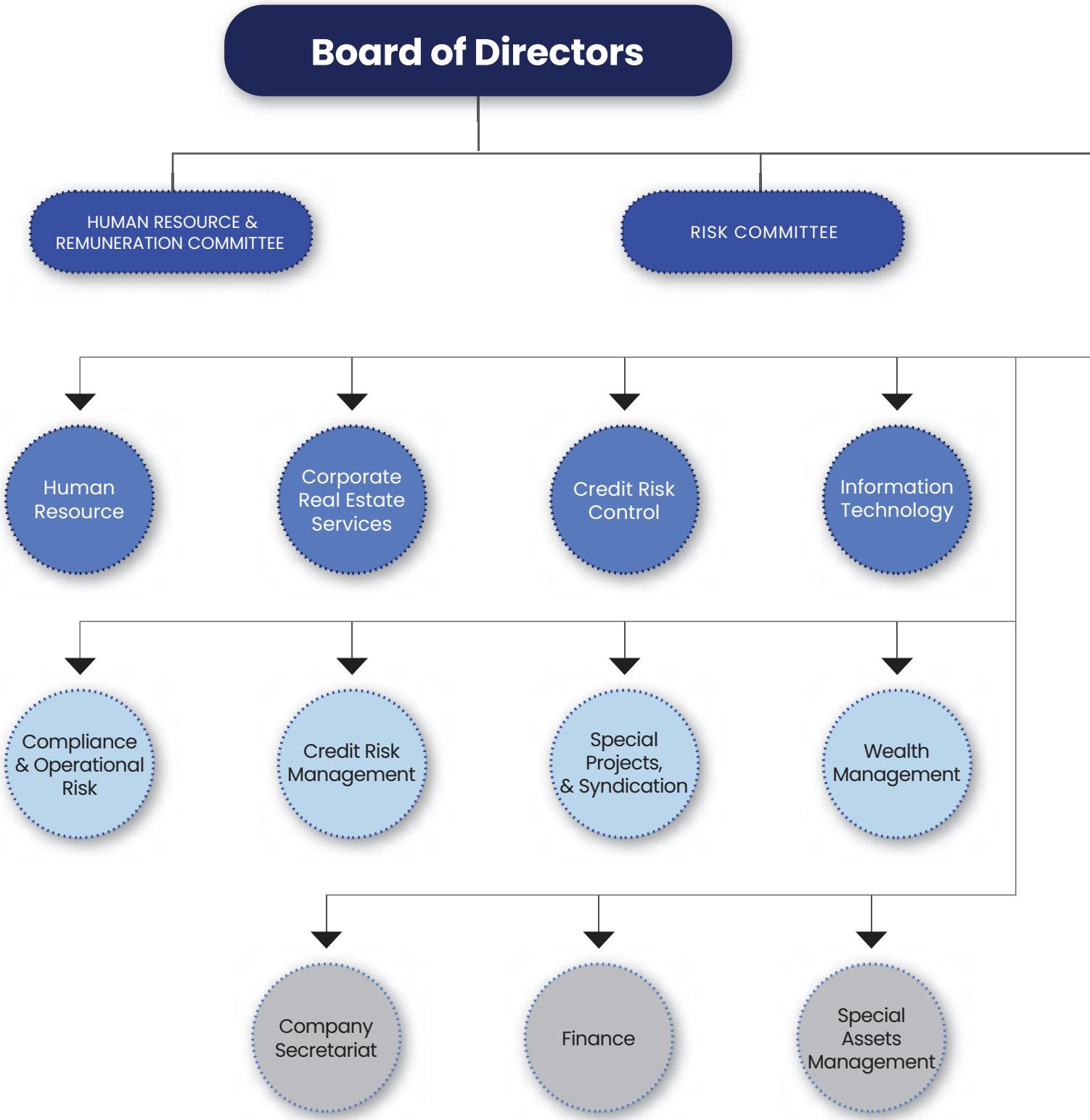
Muhammad Azhar Waseem
Head of Internal Audit

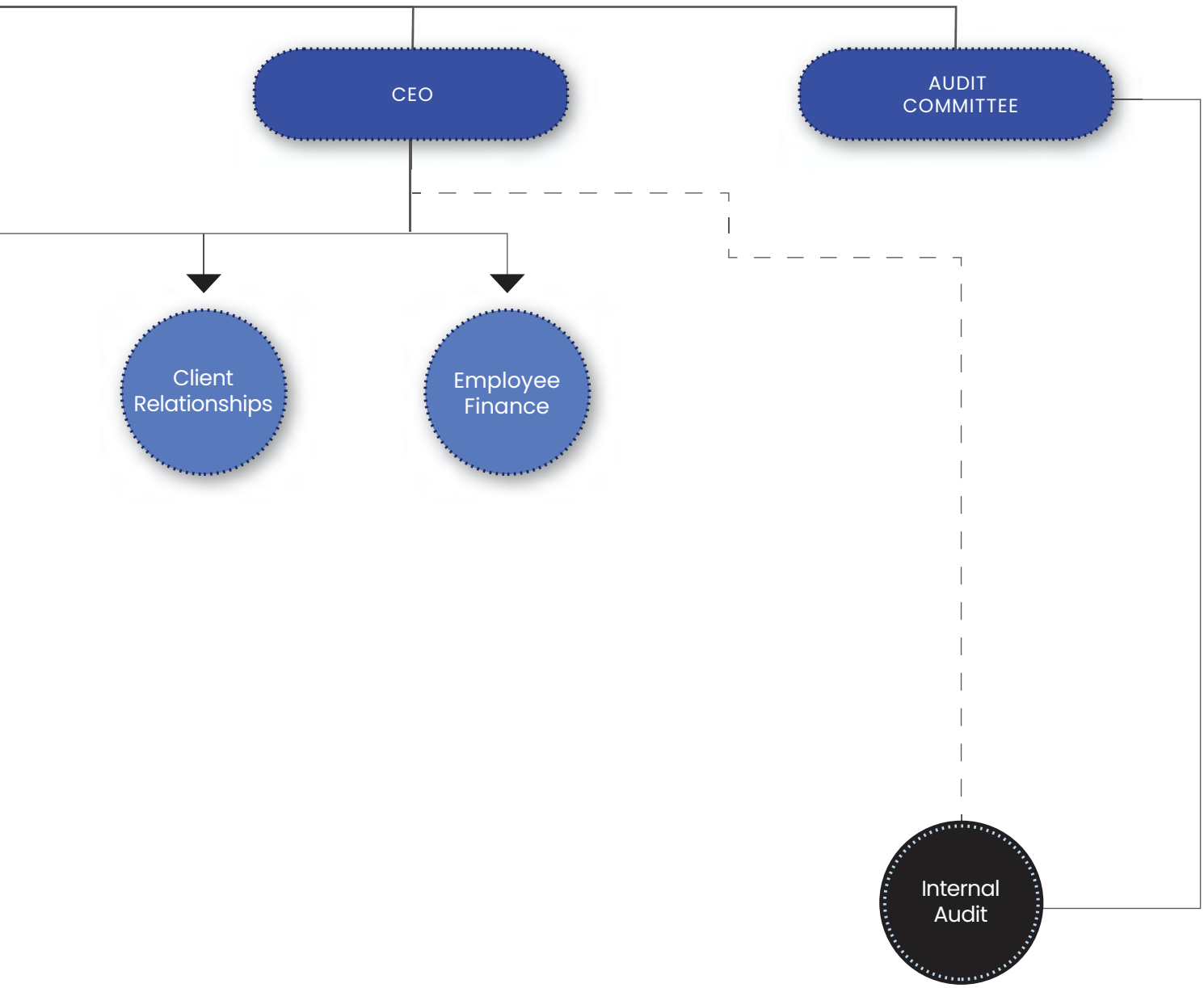
Muhammad Azhar Waseem is an Associate member of ICMAP, having more than 18 years of experience in the field of audit, accounts, finance and credit control & administration, in distinct industries including banking, public and private sector. Prior being the Head of Internal Audit of OLP Modaraba, Azhar has well demonstrated his proficiency on the position of Manager of Credit Risk Control and Operations, where he spearheaded strategic credit risk assessment initiatives and streamlined operational processes, significantly contributing to the organization's financial stability and growth trajectory.

OUR STAFF

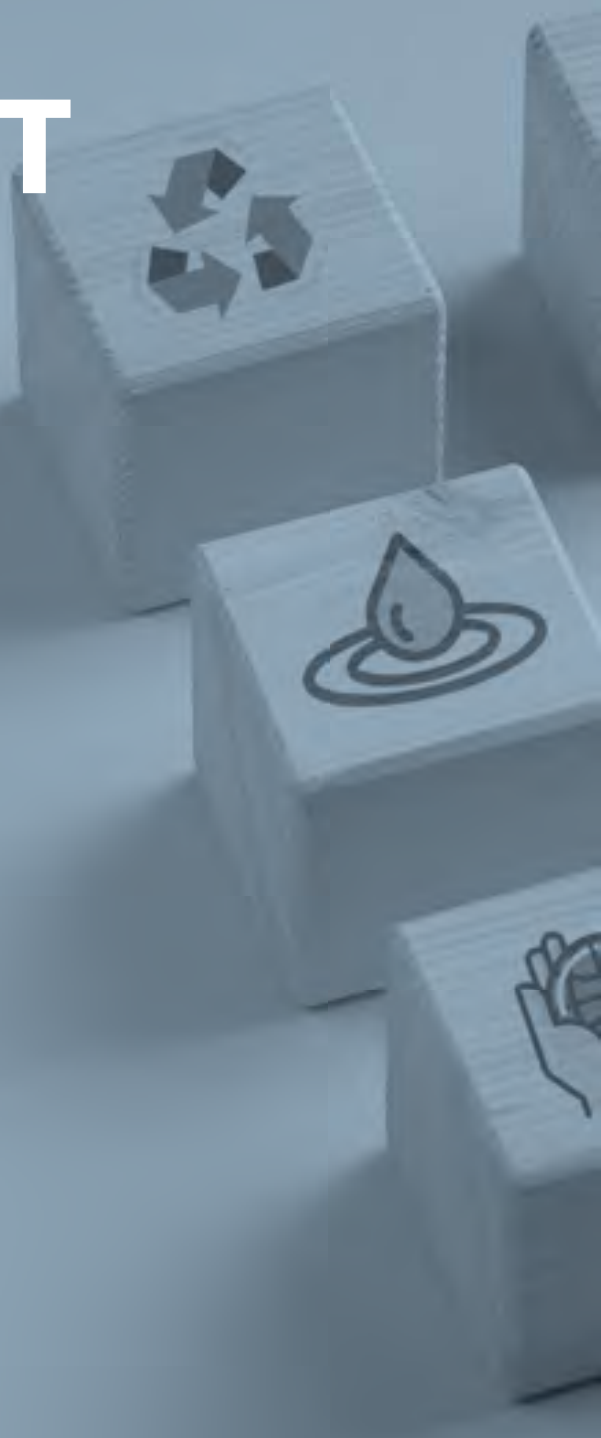
CATED
MARTYRS
1971
OF
AIR FORCE

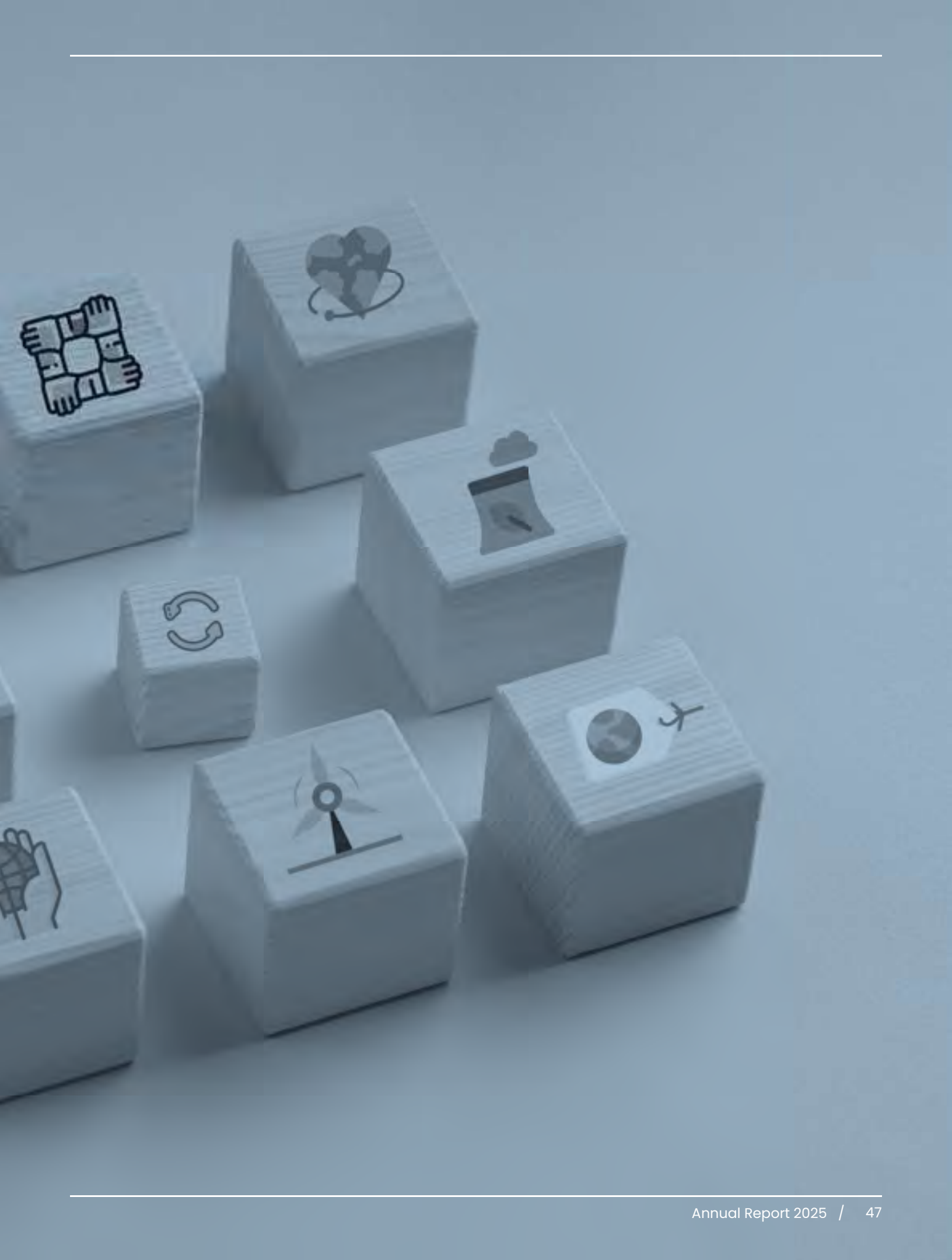
OLPM ORGANOGRAM




CEO
AUDIT COMMITTEE
Client Relationships
Employee Finance
Internal Audit

ORGANIZATION OVERVIEW & EXTERNAL ENVIRONMENT





MODARABA AT A GLANCE

OLP Modaraba (OLPM) is recognized as a thought leader in Pakistan's Modaraba sector. With a clear strategic vision, OLPM aims to become the largest and most profitable Modaraba in the country by delivering innovative, Shariah-compliant financial solutions and maintaining operational excellence.

OLPM offers a diverse portfolio of Islamic financing products including Ijarah, Diminishing Musharaka (DM), House Finance under the DM structure, Sukuk, Murabaha, and Salam. These services are tailored to meet the needs of corporates, SMEs, high-net-worth individuals, and employees of selected corporate clients, delivered under a robust Assurance Model.

The funding for asset financing is sourced through a balanced mix of Certificate of Musharakah, bank financing, equity, and operational inflows. As of June 30, 2025, OLPM's total assets stood at PKR 8.874 billion, reflecting sustained growth and financial strength.

OLPM is managed by OLP Services Pakistan (Pvt) Limited, which holds 10% of the certificate capital, while OLP Financial Services Pakistan Limited owns an additional 10% stake. The remaining 80% is held by the general public, ensuring broad-based ownership. OLPM operates under the regulatory oversight of the Securities and Exchange Commission of Pakistan (SECP), with branch offices in Lahore and Islamabad, and its Head Office located in Karachi.

Disclosure of Beneficial Ownership

No natural person directly or indirectly holds more than 25% of OLPM's shares. Detailed information regarding certificate holders is provided in the Pattern of Shareholding section of this report. A comprehensive group shareholding flowchart and the relationship with subsidiary companies are available in the "Modaraba at a Glance" section at the beginning of the report.

Key Performance Indicators 2025

- Profit before management company's remuneration rose by 10.65%, reaching PKR 291.03 million.
- Net provision/impairment of PKR 52.81 million due to proactive client downgrading.
- Profit before taxation grew by 10.40%, totalling PKR 252.41 million.
- Fresh disbursements amounted to PKR 3.470 billion.
- Total assets increased by 14.67%, from PKR 7,738 million to PKR 8,874 million.
- The portfolio of Ijarah and Diminishing Musharaka reached PKR 7,383 million, marking a 18.78% increase from the previous year.

Performance made in 2024

- Profit before management company's remuneration rose by 20.49%, reaching PKR 263.02 million.
- Net provision/impairment of PKR 14.87 million due to proactive client downgrading.
- Profit before taxation grew by 22.64%, totalling PKR 228.63 million.
- Fresh disbursements amounted to PKR 3.198 billion.
- Total assets increased by 13.39%, from PKR 6,825 million to PKR 7,738 million.
- The portfolio of Ijarah, short-term Sukuk investments, and Diminishing Musharaka reached PKR 6,909 million, marking a 14.75% increase from the previous year.

FINANCIAL HIGHLIGHTS

Profit After Tax	PKR in Million
2025	174.077
2024	157.737

Earnings	PKR
2025	3.84
2024	3.48

Cash Dividend	PKR in Million
2025	113.46
2024	90.77

Total Assets	PKR in Billion
2025	8.874
2024	7.738

Total Disbursements	PKR in Billion
2025	3.470
2024	3.197

Break-up value Per Certificate	PKR
2025	29.24
2024	27.40

OUR HUMAN CAPITAL

As at June 30, 2025

Total Headcount
57

30% Female in
Head Office

Locations	HEAD OFFICE	LAHORE	ISLAMABAD	TOTAL
Full Time Employee	29	06	02	37
Contractual	14	05	01	20

OLPM PRODUCTS

OLP Modaraba - OLPM offers both Consumer and Wholesale Shariah compliant products. These include; Ijarah/ Leasing, Diminishing Musharakah, House Finance Diminishing Musharakah, Murabaha, Salam, Istisna and Certificates of Musharakah. OLPM also offers Syndicate Financing Facility to the clients that require large amount of financing.

Certificate Of Musharakah

A Trusted Shariah-Compliant Investment Avenue

OLPM's Certificate of Musharakah is a profit-and-loss sharing investment instrument designed to offer investors a secure and rewarding income opportunity. Backed by OLPM's AA rating from the Pakistan Credit Rating Agency Limited (PACRA), this product reflects a low credit risk and a strong capacity for timely financial commitments, ensuring peace of mind for investors.

Launched in 2000, the scheme is fully Shariah-compliant, developed under the guidance of the SECP Religious Board formed under the Modaraba Ordinance. It is tailored to meet the needs of a diverse investor base including Individuals, Corporates, Provident Funds, Gratuity Funds, Mutual Funds, and High Net Worth Individuals.

OLPM has crafted this product with a deep commitment to Islamic principles and client convenience, making it one of the most reliable and ethical investment options in the market.

Diminishing Musharakah (DM)

OLPM's Diminishing Musharakah (DM) is a Shariah-compliant financing solution that enables joint ownership of assets with profit-sharing on a pro-rata basis. Under this arrangement, OLPM and the client co-invest in an asset, with the client holding possession while gradually acquiring full ownership through scheduled payments.

As the client makes periodic payments, OLPM's share in the asset diminishes, ultimately transferring complete ownership to the client. During the tenure, the client pays rent for the use of OLPM's share, ensuring a transparent and ethical financial structure.

The asset remains under OLPM's charge until the financing is fully settled, offering both security and flexibility. With a commitment to Islamic finance and client-centric solutions, OLPM's DM product is ideal for individuals and businesses seeking structured Shariah-compliant financing for long-term asset ownership.

House Finance Diminishing Musharakah (HFDM)

OLPM's HFDM is a Shariah-compliant home financing solution based on the concept of Diminishing Musharakah, offering clients the opportunity to acquire, construct, or renovate residential property through a joint ownership model. Under this arrangement, OLPM and the client co-invest in the property, with the client holding possession and gradually acquiring full ownership through scheduled payments.

HFDM combines flexibility, transparency, and Shariah compliance, making it a reliable solution for clients seeking structured home financing aligned with Islamic principles.

IJARAH

In Islamic terms, Ijarah is a contract for leasing or hiring, involving the transfer of the usufruct (right to use) of an asset or the services of a person for an agreed-upon period and price. OLPM Ijarah model is designed to meet the diverse needs of businesses and individuals, offering tailored solutions that align with their financial goals and timelines. With a strong foundation in Islamic finance and a commitment to excellence, OLPM continues to lead in delivering reliable and ethical financial leasing solutions.

MURABAHA FINANCE

OLPM's Murabaha Finance offers a Shariah-compliant alternative to conventional financing through a cost-plus sale arrangement. Under this structure, OLPM purchases the asset or commodity desired by the client and sells it to them at a pre-agreed profit margin, ensuring full transparency and ethical compliance.

The Murabaha transaction unfolds in two stages:

Asset Procurement: OLPM acquires the commodity or asset on behalf of the client.
Deferred Sale: The client repurchases the asset from OLPM at a fixed price, payable through a mutually agreed instalment plan.
This financing model is ideal for clients seeking predictable costs, clear terms, and Shariah-based financial solutions for acquiring business assets.

Salam

OLPM offers Salam (Bai-Al Salam) financing—a Shariah-compliant contract of sale where the price is paid in advance, and the delivery of goods is deferred to a future date. This structure enables clients to secure essential commodities while managing their working capital needs efficiently.

Under this arrangement:

- The buyer (client) pays the full purchase price upfront
- The seller (OLPM) commits to delivering the specified goods at a future date
- Ideal for managing both core and overhead business expenses

Salam Financing is particularly beneficial for businesses seeking predictable cash flow, secure procurement, and Shariah-compliant financial planning. OLPM's expertise ensures smooth execution and alignment with Islamic principles.

Istisna

OLPM's Istisna Financing is a forward-looking, Shariah-compliant solution designed for clients seeking to acquire assets that require manufacturing or construction. Derived from the Arabic root Sa-na'a, meaning "to manufacture," Istisna is a contract of sale where OLPM, acting as the seller, undertakes to deliver a specified asset upon completion, as per the agreed schedule.

Istisna is particularly suited for businesses planning capital expenditures on assets that require fabrication or construction, offering a structured, Shariah-compliant pathway to growth.

Syndicate Financing

OLPM offers Syndicate Financing arrangements tailored for Large Corporates, Local Enterprises, MEs and SMEs seeking substantial financial facilities through a single, streamlined contact point.

This model brings together a group of financial institutions—referred to as a syndicate—to jointly provide funding for a single client, ensuring both scale and efficiency.

Syndicated Ijarah Facility – including direct leasing and sale & lease-back models

With deep market insight and strong institutional relationships, OLPM delivers Shariah-compliant syndicate solutions that support business growth and long-term asset acquisition.

CODE OF CONDUCT

Do the right thing

Our values are integral to the way we work every day. The Code is important because it outlines how we can make sure that the decisions we make are the right ones.

Act responsibly and within authority

Be disciplined, responsible and take accountability for the risks we take and make sure they are appropriate to his/her business or activity. We must keep to our limits and policies and not make decisions that are beyond delegated authority.

Use good judgment

Recognise when there are situations without simple solutions. Use the Code's decision making framework to help make decisions well, appropriately and with care.

Speaking Up

We have a responsibility to Speak Up when we see behaviour, a process or system we are not comfortable with at work. This helps to maintain a culture of strong ethics, integrity and transparency.

Comply with laws, regulations and standards

We are individually responsible for complying with the spirit, not just the letter, of laws, regulations and our standards.

Combat financial crime

It is critically important to protect the worldwide financial system. We must comply with laws, regulations and standards on anti-money laundering (including those on tax evasion), preventing financing for terrorism, fraud or sanctions.

Reject bribery and corruption

Bribery is illegal, dishonest and damages the communities where it takes place. We must not give or accept bribes nor take part in any form of corruption.

Treat clients fairly

A focus on building long-term relationships helps to increase our business by improving our reputation. This includes having well-designed products and services, which:

- are clearly sold based on suitable advice
- perform as expected
- give clients choice

Manage conflicts of interest

We are responsible for identifying, assessing and managing conflicts of interest (whether actual or issues which could be viewed as conflicts) that arise in our daily working life.

Do not engage in or support insider dealing

The misuse of inside information undermines the financial system and unfairly disadvantages others in the market.

Protect confidential information

Building trust is a basic part of all our relationships with clients. We must not release confidential information unless authorised to do so.

Compete fairly in the market place

We must understand and comply with the laws which affect how you compete in their markets both locally and abroad.

Treat colleagues fairly and with respect

All staff is entitled to a safe working environment that is inclusive and free from discrimination, bullying and harassment. Treating our colleagues as partners helps our people to deliver on the brand promise, resulting in a positive effect on our business results.

Be open and co-operate with regulators

Deal with regulators in a responsive, open and co-operative way and give regulators information they would reasonably expect to be told about.

Respect our communities and the environment

Contribute to economic stability in our markets, we all have a responsibility to reduce our effect on the environment and give back to our communities.

PESTEL ANALYSIS

	P	E	S
Description	**Political** Government policy's intervention in the economy, other related factors and actions that can affect a business	**Economic** Various aspects of the economy, and how the outlook on each area could impact your business.	**Social** Cultural and demographic trends of society. Social norms and pressures are key to determining consumer behaviour.
Factors	• Political instability impacts business confidence • Policy inconsistency hinders long-term planning • Global trade slowdown affects economy • Currency depreciation pressures operations • Security and geopolitical risks persist • Stricter environmental laws increase costs • Fiscal policy changes affect growth • Labour laws impact workforce flexibility • Trade restrictions disrupt supply chains	• Ongoing financial distress due to economic mismanagement. • Rising labour costs increasing operational expenses. • Persistent inflation reducing purchasing power of clients and businesses. • Sluggish economic growth affecting overall business activity. • Volatile exchange rates creating uncertainty in financial planning	• Corporate Social Responsibility (CSR) commitments and initiatives. • Support through charity and philanthropic donations. • Contributions to improving educational facilities and access. • Focus on ensuring a safe and healthy environment. • Addressing social challenges arising from the pandemic and floods in Pakistan. • Maintaining and enhancing organizational reputation and trust. • Adherence to fair business practices and ethical standards.
Response	OLP Modaraba proactively engages with regulatory bodies to ensure full compliance and timely adaptation to policy changes. • Governance frameworks and internal controls are continuously reviewed and aligned with evolving legal and regulatory requirements. • Environmental and Social Risk Assessments (ESRA) are fully integrated into evaluation and product development processes, ensuring responsible financing. • The Modaraba remains cognizant of geopolitical and macroeconomic developments, incorporating risk mitigation strategies into its business planning.	• Considering prolonged economic stress, OLP Modaraba continuously monitors macroeconomic trends to adapt its business strategy and maintain operational stability. • Focused efforts are in place to manage and reduce credit risk through proactive delinquency controls and client engagement. • Cost-efficiency is being pursued through targeted cost containment and optimization initiatives. • Profit rates are reviewed and adjusted periodically to remain aligned with market conditions and funding costs.	• OLP Modaraba has established dedicated committees overseeing CSR, health and safety, resource management, and employee welfare. • Continued financial support is provided to leading charitable organizations such as LRBT, SIUT, PSEF, and others. • Comprehensive staff training ensures responsible internet use, data confidentiality, and upholding the company's reputation. • The Modaraba is committed to fostering a safe, inclusive workplace while actively contributing to community welfare and sustainable development.

T	E	L
Technological Innovation in the industry and the overall economy. Not being up to date to the latest trends of a particular industry can have adverse impact on the business	**Environmental** Ecological impacts on business. Importance of Corporate Sustainability Responsibility (CSR) initiatives.	**Legal** Legal forces define what a business can or cannot do.
• Importance of data security and cyber protection • Need to keep pace with rapidly evolving technology to meet customer demands • Level of technological awareness and preparedness within the industry • Degree of innovation driving competitive advantage • Growing adoption of automation to enhance operational efficiency	• Increasing emphasis on environmental protection regulations • Effects of climate change on business operations • Growing focus on reducing carbon footprints • Compliance with recycling and waste management standards	• Corporate and personal taxation, including taxes and tariffs • Compliance with anti-bribery and anti-corruption regulations • Adherence to employment and anti-discrimination laws • Observance of data protection and privacy legislation
• We implement advanced firewalls and endpoint protection to safeguard sensitive data. Continuous vulnerability assessments ensure robust cyber resilience. • Regular technology audits and timely upgrades align our systems with the latest standards. We also integrate secure, scalable solutions to adapt quickly. • Staff undergo regular cybersecurity training to maintain high awareness. Industry best practices guide our security frameworks and protocols. • We adopt secure-by-design principles in all innovations. New technologies are tested in sandbox environments to mitigate risk before deployment. • Automated monitoring and real-time threat detection tools ensure swift incident response. Security logs are continuously analyzed to identify and neutralize threats.	• OLP Modaraba remains committed to environmental protection, conservation, and reducing carbon emissions. • This commitment extends to clients through the integration of Environmental and Social Risk Assessments in our products and services. • The Modaraba has transitioned towards a paperless environment, significantly minimizing paper usage in internal operations	• Modaraba considers the above factors while making decisions to enter or not to enter certain industries, to launch or not to launch certain products; • OLPM strictly adheres to Anti-corruption and client confidentiality protection measures; • Adherence to policy on Anti Bribery and Corruption (ABC), for which the employees are periodically trained; • Restricted disclosure of information on a "need basis"; and • A closed process complying with all applicable laws & regulations, including Shariah governance, ensure the highest level of governance.

SWOT ANALYSIS

S — STRENGTHS

- Extensive experience in the financial services industry
- Strong creditworthiness and high credit rating
- Well-established presence across major cities in Pakistan

W — WEAKNESSES

- Operates within a highly regulated financial environment
- Limited range of resource mobilization instruments compared to conventional banks
- Competitive pressure from well-capitalized commercial banks

O — OPPORTUNITIES

- Considering substantial reduction in the policy rate, economic activity is expected to increase creating demand for financial services
- Growing public acceptance and preference for Islamic finance solutions
- Significant potential for further growth in the Islamic financing sector

T — THREATS

- Ongoing political instability affecting investor confidence
- Inflationary pressures and devaluation
- Rising taxation and regulatory tariffs impacting operational margins

The legislative and regulatory environment in which the organization operates

Currently Modarabas operating in Pakistan are governed under several laws and regulations such as Modaraba Ordinance, Modaraba Rules and Modaraba Regulations 2021 etc. OLP Modaraba is operating under the supervision of Securities & Exchange Commission of Pakistan, as Non-Bank Islamic Financial Institution and contribute as a key player in bringing awareness of Islamic financial system in the Country. For Modaraba structure refer Business Model on page no. 00 of the report.

The legitimate needs, interests of key stakeholders and industry trends

OLP Modaraba takes specific measures to understand the needs and interests of all its stakeholders, this involves understanding the needs of the communities through client visits and interactions. The Modaraba disseminates its periodic financial statements together with directors' review report on performance and future outlook. It also holds investors' briefing sessions on a annual basis besides Annual Review Meeting in which address all the queries of the analysts and certificate holders. The Modaraba designs its CSR activities to have maximum impact on the communities particularly to Health, education and environmental protection.

Competitive landscape and market positioning

The Modaraba holds remarkable credit rating by PACRA i.e. AA in long term and A1+ in short term distinct position. Apart from credit rating the Modaraba has achieve numerous accolades from various prestigious national and international bodies. The Modaraba has its presence in major cities of Pakistan with registered head office in Karachi and branches in Islamabad and Lahore. This local presence of OLPM is providing Islamic Financial Services to prospective corporate and consumer clients.

OLPM continues to navigate Pakistan's evolving political landscape by strengthening regulatory engagement, diversifying its client base, and prudently managing risk exposure.

The political environment in Pakistan remains a critical factor influencing strategic execution for financial institutions. While the country has historically faced frequent shifts in leadership and policy discontinuity, the current government has signalled a renewed focus on economic stabilization, export growth, and investment attraction. However, challenges persist, including security concerns, digital restrictions, and the need for long-term governance reforms.

In response to these dynamics, OLPM has reinforced its commitment to regulatory alignment and operational resilience. The organization maintains close interaction with regulators to ensure compliance and adaptability in a fluid policy environment. Additionally, OLPM's business strategy emphasizes deepening relationships with Medium and Small sized Enterprises, High Net Worth Individuals (HNIs), and employees of selected corporate clients. Rather than pursuing mass-market scale, OLPM emphasizes quality relationships and tailored financial solutions that align with the unique needs of its niche clientele. This focused strategy enables OLPM to maintain high service standards, manage risk effectively, and deliver Shariah-compliant products with precision and reliability.

To further safeguard stakeholder interests, OLPM continues to monitor and manage risk exposure rigorously-both at the time of facility approval and through regular reviews of client repayment capacity. This proactive approach enables OLPM to maintain a balanced and diversified asset portfolio, resilient to external shocks.

As Pakistan moves forward with its IMF-backed economic roadmap and broader reform agenda, OLPM remains focused on aligning its strategic priorities with the evolving political and economic landscape, ensuring long-term sustainability and stakeholder confidence.

Details of significant events occurred during the year and after the reporting period

The significant events which occurred during the year ended June 30, 2025 are reported in the 'Calendar of major events' and 'Landmarks' sections of this report.

Position in the Value Chain

OLPM operates as a non-banking financial intermediary within the Islamic finance ecosystem, facilitating Shariah-compliant funding solutions for its clients. Positioned between capital providers (upstream) and end-users of financing (downstream), OLPM plays a critical role in channeling funds from investors and financial institutions into productive use by Medium and Small Enterprises, High Net Worth Individuals (HNIs), and employees of corporate clients.

Upstream Connections: OLPM engages with banks, mutual funds, provident and gratuity funds, and individual investors through instruments like Certificates of Musharakah, enabling capital mobilization in a Shariah-compliant manner.

Downstream Connections: The organization supports asset acquisition, business expansion, and working capital needs of clients through products such as Ijarah, Diminishing Musharakah, Murabaha, Istisna, Salam, and House Finance DM, thereby contributing to economic activity and financial inclusion.

OLPM's strategic relationships with regulators, rating agencies, and corporate partners further reinforce its role as a trusted conduit for Islamic financial services, ensuring compliance, transparency, and value creation across the financial value chain.

A general review of the performance of the company, including its subsidiaries, associates, divisions etc., for the year and major improvements from last year.

A detailed review of Modaraba's performance with comparison from last year is provided on page 48.

STRATEGY AND RESOURCE ALLOCATION

Short, medium and long-term strategic objectives and strategies in place to achieve these objectives:

Our strategy is geared towards generating growth over the next few years. We will continue with our strength in Corporates, high end SMEs, and HNW individuals. We will also expand into midtier SME and employees of selected Corporate Clients under Assurance Model. The cornerstones of our strategy are:

1). Expanding our Diminishing Musharika portfolio
2). New business with High-Net-Worth customers and target employees of selected blue-chip entities
3). Synergy within OLP group with two-way referrals, syndication, use of common resources and profiling including utilize existing OLPL branch network for mobilization of Islamic funds and new products; and
4). Advisory transactions where risk reward parameters are met.

Resource allocation plans to implement the strategy

Every element of our business model is unique to our Modaraba and has a role to play in our future long-term success

a) Financial Capital:
All the financial resources of the OLPM are utilized effectively and efficiently under Shariah guidelines and policies and procedures framed by the Board of Directors. These resources are greatly support for smooth business operations of the entity.

b) Human Capital
Our people bring talent and strong capabilities relevant to all aspects of our business, from community and customer relations to the innovative thinking necessary to drive value growth and efficiency.

c) Intellectual Capital
Through capacity building, develop intellectual capital for best corporate culture, good governance and to follow best business Practices.

d) Social and Relationship Capital
Our social 'license to operate' is due to our reputation and the trust of key stakeholders. Our most valuable stakeholder relationships are with our investors, our community, employees, Clients as well as government and regulators.

Critical Performance Indicators

Critical performance indicators that are in place to appraise OLPM performance include:

Strategic Direction: To ensure that the management is involved in setting and devising key strategies that provide the Modaraba with correct futuristic direction, and all of the management proposals, challenges, assumptions and alternatives are duly considered prior to deciding such strategy.

Management's Financial Performance: To ensure that the management's performance in terms of revenue, profitability and cost control and its progress towards achieving its set targets is periodically monitored by the Board members of Modaraba Management Company.

Internal Controls: To oversee and ensure that appropriately designed internal control framework is in place and is routinely tested to address top risks.

Compliance: To ensure that there is an active compliance function at the Modaraba, and to monitor its compliance with external laws & regulations (including anti money laundering requirements) and internal policies, and to monitoring of controls through Control Sample Testing (CST).

Understanding of Corporate Governance and Code of Conduct: To ensure that the management fully understand the Code of Corporate Governance and Ethics.

Committee Composition: To ensure that each of the Board and management Committees are appropriately structured to effectively achieve its underlying goals and objectives, and its key functions are also clear and well defined.

The capabilities and resources of the company to provide sustainable competitive advantage: OLPM has a multitude of strengths that has contributed to our success in the past and will also set us apart from our competitors in future. These include:

- Strong evaluation of client's credit profile including repayment ability.
- Post disbursement monitoring of risk exposure.
- Experienced management team.
- Efficient IT systems that support core competencies and improves overall efficiency and responsiveness to market development.
- Continuous re-engineering of policies, procedures, SOPs, SLAs and TATs, ensuring operational efficiencies through effective management of key resources without any compromise on control environment.
- Strong customer loyalty, supported by the OLP premium brand.
- Differentiated product suite including the Pioneer Modaraba offering Shariah compliant house finance facility to Individual.

Board's statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations

OLPM is on its way to achieve the overall objectives set by its Board of Directors. There are no significant changes in objectives & strategies of OLPM as compared to last year. Furthermore, there are no significant plans and decisions including corporate restructuring, business expansion and discontinuance of operations, etc., in the light of OLPM's existing objectives & strategies.

Information about defaults in payment of any debts with reasons

Over the period of 38 Years, OLP Modaraba has always settled its obligation timely. This is mainly because, OLPM manages its liquidity position and funding profile through Asset Liability Committee (ALCO). The Committee meets on a monthly basis and is represented by CFO, Business Heads and chaired by CEO. It reviews monthly and quarterly cash flow projections. This approach to manage liquidity helps to ensure that the Modaraba will always have adequate liquidity to meet its commitments under normal and stressed conditions.

Board Strategy for Liquidity and Financial Stability

In line with the Board of Directors' guidance, OLPM is actively managing its current ratio by securing additional long-term funding lines and strategically addressing any risk associated with deposit concentration. Over the years, OLPM's management has successfully negotiated and established multiple long-term financing arrangements with leading financial institutions, significantly strengthening the Modaraba's funding base and enhancing its ability to meet operational and debt-related obligations.

ALCO regularly reviews cash flow projections, upcoming disbursements, maturing portfolios, bank financing obligations, and the status of new credit facilities. It also monitors key indicators such as Maximum Cumulative Outflows (MCO) and Medium Term Funding Ratio (MTFR) to ensure alignment with the Board-approved Annual Financial Plan.

These measures collectively support OLPM's strategy to maintain a well-funded balance sheet, mitigate liquidity risks, and ensure financial sustainability in line with its long-term strategic objectives.

Liquidity Strategy

OLPM-ALCO holds the ownership of Liquidity Contingency Plan which ensures that all financial liabilities that are falling due are either re-invested or re-financed with other feasible sources.

The main source of fund to OLPM for extending Islamic financings is issuance of Certificate of Musharaka (COMs). Since COMs are the most economical source of funds available to Modaraba, OLPM focused on COMs to manage its financial cost efficiently.

OLPM effectively markets the COMs in a way that maturing COMs are replenished with new issue of COMs.

Considering frequent changes in discount rate, COM clients these days are being encouraged to invest for a period over 1 year due to high profit rate being offered. Although there is substantial contractual maturity mismatch, however there is nominal behaviour maturity mismatch as most of the CoMs were re-invested after maturity.

On the asset side, OLPM portfolio includes Ijarah and Diminishing Musharaka products with maturity period of minimum three (03) years.

OLPM avails long term finance facilities from Islamic banks and Islamic windows of conventional banks to reduce contractual maturity mismatch and holds substantial unutilized financing facilities from Islamic Banks with the help of which OLPM manages the remaining mismatch.

The capabilities and resources of the modaraba that provide sustainable competitive advantage, resulting in value creation by the modaraba.

OLP Modaraba being the Pakistan's Premier Islamic financial institution has a strong legacy of over 38 years for offering Islamic financial solutions to corporate, high and mid-tier SME's and consumer market. The modaraba has its presence in major cities of Pakistan like Karachi, Islamabad and Lahore. Also, the modaraba has successfully maintained its rating of AA (long term) and A1+ (short term) from past many years. Local presence and stable rating helps modaraba in attaining competitive advantage in providing Islamic financial Services to prospective corporate and consumer clients.

Effects of the given factors on the modaraba strategy and resource allocation:

a) **Technological Changes;**
Though on-going changes and revolutionizing new technological advancements pose a continuing challenge to all business segments requiring each business to review and upgrade its business capabilities. We at OLPM take pride in being the clear thought leader within the sector hence also keeping a vigilant eye on places and situations where there is need of adopting new technologies.

Currently OLPM is evaluating a new hi-tech TP system to bring its IT platforms to the required levels.

b) **Sustainability reporting and challenges;**
OLPM has always been advocating the need for enhance sustainability and ESG related initiatives. Since decades, we have only been doing business with clients that come up to the required high standards of OLPMs ESRAT checklist. Furthermore recently, OLPM has formed a committee to solely take care the ESG and sustainability initiatives.

c) **Resource shortages**
OLPM has always believed in investing in resource-saving technology and training its employees to bridge the skill gap for efficient and productive working styles

RISK & OPPORTUNITIES

1	Key Risks and Opportunities Impacting Capital Availability, Quality, and Affordability	OLP Modaraba continuously identifies and manages key internal and external risks and opportunities that may impact the availability, quality, and affordability of capital. One of the most critical risks is the non-availability of funds, which could lead to a reduction in disbursements, business operations, and market share. To mitigate this, OLPM ensures that all funds used for business development are strategically priced, enabling the Modaraba to generate adequate spreads while delivering consistent value to its certificate holders. OLPM's capital base is supported by a strong structure of long-term bank borrowings and a steadily growing pool of Certificates of Musharaka (COM) depositors. Combined with its equity base, these resources ensure the availability of high-quality and cost-effective capital for business expansion and operational continuity.
2	Board Oversight and Risk Tolerance	OLP Modaraba has established a comprehensive Risk Management Framework approved by the Board of Directors. This framework outlines the company's risk appetite, methodologies, and reporting mechanisms. It ensures that all business activities operate within defined risk parameters and remain aligned with OLPM's long-term strategic objectives. The Board Risk Committee (BRC), Management Committee (MANCO), and Country Operational Risk Committee (CORC) form a multi-tiered governance structure that oversees the assessment and mitigation of various risk categories, ensuring seamless business operations and sound decision-making.
3	Principal Risks and Mitigation Strategies	OLPM has conducted a robust assessment of the principal risks that could impact its business model, financial performance, liquidity, and long-term sustainability. Key risks and related management responses include: **1. Funding Risk** • Monthly Asset and Liability Committee (ALCO) meetings are held to analyse funding needs in detail. • The focus remains on securing affordable, long-term capital to ensure timely disbursements and business continuity. **2. Credit & Default Risk** • As a financial institution engaged in lending, credit risk is a top priority. • Dedicated Early Alert and Special Asset Management (SAM) Committees meet monthly to review and resolve overdue cases. • Overdue review meetings are conducted 1–2 times weekly across all regions to monitor clients with delayed payments, even by a few days. • Senior risk and business team members actively follow up and implement client-specific recovery plans, resulting in high recovery rates and low NPLs.

		3. Human Capital Risk • OLPM recruits experienced professionals and invests in their growth and development. • A strong organizational culture and a very low attrition rate reflect OLPM's commitment to retaining talent and minimizing human capital risk. **4. Regulatory and Policy Risk** • Although changes in government policies remain a challenge, OLPM proactively monitors the fiscal and regulatory environment through senior-level forums such as MANCO and the Principals Committee. • This allows for timely adjustments and ensures minimal exposure to adverse policy changes.
4	Risk Management Framework	The Risk Management Framework covers all principal risk categories including: • Regulatory Risk • Credit Risk • Operational Risk • Liquidity Risk • Human Capital Risk • Technology and Cybersecurity Risk The framework ensures that strategic decisions are backed by risk-based insights, enabling OLPM to remain resilient and agile in a dynamic environment.
5	Strategic Use of Risk Insights	OLPM identifies strategic opportunities within the risk landscape to enhance profitability and create value. For example, when regulatory changes limited bank financing for imported vehicles above PKR 2.5 million, OLPM capitalized on the opportunity by expanding its auto financing portfolio at higher margins.
6	Supply Chain Risk Related to ESG Factors	To date, OLPM has not experienced any significant supply chain disruptions due to Environmental, Social, or Governance (ESG) incidents. This is a result of its robust risk governance structure and ongoing monitoring by senior-level committees. However, OLPM continues to remain vigilant and has developed strategies to mitigate such risks should they arise.

GOVERNANCE

CHAIRMAN'S REVIEW REPORT

Mr. Naveed Kamran Baloch

Chairman

It gives me immense pleasure to present this review report on the overall performance of OLP Modaraba (OLPM) and the effectiveness of the Board in attaining its business objectives for the year 2024-25. As the Chairman of the Board, my basic endeavor will be to ensure adherence to the corporate governance regulatory framework and to lead the Board of Directors in effectively managing the Modaraba's strategic direction, whilst safeguarding the interests of its stakeholders.

Year 2024-2025 for OLP Modaraba (OLPM):

Our performance has shown sustainable growth creating value for certificate holders in terms of profitability and dividend distribution during the year ended June 30, 2025. OLPM's team has performed exceptionally well in key business segments. Total disbursement during the year touched PKR 3,470 million which is 8.71% higher than last year. The size of balance sheet has also reached PKR. 8,874 million as compared to last year PKR 7,738 million which reflects a growth of 14.67%. Profit before taxation increased by 10.99% from PKR 223.86 million last year to PKR 248.45 million in the current year and the Net profit for the year increased by 10.36% from PKR 157.74 million to PKR 174.08 million. I take special pride in communicating that the Modaraba this year achieved the highest ever balance/ amount of total assets, profit before taxation and Certificate of Musharika Portfolio.

Awards and Recognition:

It is a great pleasure to see that OLPM's strong commitment to excellence has made it a leading name in the Modaraba sector. This dedication has brought recognition not only in Pakistan but also at the international level. Some of the awards that OLPM received this year include the Corporate Excellence Trophy for the Modaraba sector by the Management Association of Pakistan, Top Performance Award from

the Modaraba Association of Pakistan, Certificates of Achievement in 'Collaboration & Partnership' and 'Engagement/Communication' at the Corporate Social Responsibility Awards, the 11th International Award on Environment, Health & Safety for work in Environmental Management and Health Care Support, and the FPCCI's "Annual Excellence Award in Environment."

Effectiveness of the role played by the Board:

The Board of Directors has demonstrated commendable effectiveness in fulfilling its governance responsibilities and strategic oversight of the Modaraba. Amid a challenging macroeconomic landscape, the Board remained actively engaged in identifying and addressing key risk areas, while contributing meaningfully to the strategic planning process. Its commitment to sound corporate governance has helped safeguard and enhance stakeholder value. All Directors, including Independent Directors, participated constructively in Board deliberations, ensuring informed and balanced decision-making. Furthermore, while the Board has reaffirmed its commitment to continuous improvement and accountability under the Code of Corporate Governance, the annual evaluation by an independent third party is currently underway and is expected to be concluded following the issuance of this report.

Credit Rating:

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the ratings of OLP Modaraba as AA (Double A) and A1+ (A one plus) for long-term and short- term respectively. These ratings reflect a very high credit quality and a very low expectation of credit risk. It indicates a very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events in the long-term rating and the highest capacity for timely repayment for the short-term rating.

Way forward:

Looking ahead, the Board of OLP Modaraba remains committed to a long-term strategic vision while maintaining close oversight of short-term performance indicators. Pakistan's evolving economic landscape presents both challenges and opportunities, and the Board continues to monitor key developments to ensure agile and informed decision-making. The recent reduction in SBP policy rates may affect future profitability; however, it is expected to stimulate credit expansion, which remains a core earning asset for the Modaraba.

I take great pride in the resilience, strategic focus, and proactive mindset of the OLP Modaraba team. Their dedication has been instrumental in driving business growth and operational excellence. With strong leadership and an experienced management team, we are well-positioned to navigate future uncertainties, seize emerging opportunities, and deliver sustainable value to our stakeholders. With optimism and determination, we look forward to continued growth, excellence, and long-term sustainability.

Acknowledgement:

Finally, I would like to thank all our Board Members for their commitment and contribution in the overall performance of Modaraba and to the certificate holders for their trust in the Board and the management.

I would also like to thank the SECP for its valued guidance and support during last year.

I would also like to thank our employees for their hard work in the year ended June 30, 2025 and I look forward to continue working with them to attain success in 2026.

NAVEED KAMRAN BALOCH
Chairman

Karachi September 25, 2025

کی۔ بورڈ اس بات کو تسلیم کرتا ہے کہ اچھی طرح سے متعین کارپوریٹ گورننس کے عمل شراکت داروں کی قدر کو محفوظ رکھنے اور بڑھانے کے لیے اہم ہیں۔ تمام ڈائریکٹرز، بشمول آزاد ڈائریکٹرز، نے بورڈ کے فیصلوں کے عمل میں مکمل طور پر حصہ لیا اور ایک متوازن اور باخبر فیصلہ سازی میں اپنا کردار ادا کیا۔ مزید یہ کہ بورڈ نے کارپوریٹ گورننس کوڈ کے تحت مسلسل بہتری اور احتساب کے عزم کو دہرایا ہے۔ احتساب کے عزم کے مطابق اپنی سالانہ خود تشخیص کا عمل ایک آزاد تیسرے فریق کے ذریعے اس وقت جاری ہے

ہماری کریڈٹ ریٹنگ:

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے OLP مضاربہ کی طویل مدتی اور مختصر مدتی درجہ بندی کو بالترتیب AA (ڈبل اے) اور (اے ون پلس) کے طور پر برقرار رکھا ہے۔ یہ ریٹنگز اعلیٰ کریڈٹ معیار اور کریڈٹ رسک کی بہت کم توقعات کی عکاسی کرتی ہیں۔ یہ بروقت مالی ذمہ داریوں کی ادائیگی کی ایک بہت مضبوط صلاحیت کی نشاندہی کرتی ہیں۔ یہ صلاحیت طویل مدتی درجہ بندی میں قابل پیش گوئی حالات کے لحاظ سے نمایاں طور پر کمزور نہیں ہے اور مختصر مدتی درجہ بندی کے لیے بروقت ادائیگی کی سب سے زیادہ صلاحیت کی عکاسی کرتی ہے۔

آئندہ کا لائحہ عمل:

آگے کی طرف دیکھتے ہوئے، او ایل پی مضاربہ کا بورڈ اپنی طویل المدتی اسٹریٹجک نظریہ پر کاربند رہتے ہوئے قریبی مدت کی کارکردگی کے اشاریوں پر کڑی نظر رکھے گا۔ پاکستان کا بدلتا ہوا معاشی منظرنامہ بیک وقت چیلنجز اور مواقع فراہم کرتا ہے، اور بورڈ کلیدی پیش رفت پر نظر رکھے ہوئے ہے تاکہ بروقت اور باخبر فیصلے یقینی بنائے جاسکیں۔ اسٹیٹ بینک آف پاکستان کی پالیسی ریٹس میں حالیہ کمی مستقبل کی منافع بخشی کو متاثر کرسکتی ہے، تاہم یہ کریڈٹ کے فروغ کا باعث بھی بنے گی جو مضاربہ کا بنیادی آمدنی پیدا کرنے والا اثاثہ ہے۔ مجھے او ایل پی مضاربہ کی ٹیم کے عزم، اسٹریٹجک فوکس اور فعال سوچ پر فخر ہے۔ ان کی لگن کاروباری ترقی اور عملی عمدگی کے فروغ میں بنیادی حیثیت رکھتی ہے۔ مضبوط قیادت اور تجربہ کار مینجمنٹ ٹیم کے ساتھ، ہم مستقبل کی غیر یقینی صورتحال سے نمٹنے، ابھرتے ہوئے مواقع کو حاصل کرنے اور اپنے اسٹیک ہولڈرز کو پائیدار قدر فراہم کرنے کے لئے موزوں پوزیشن میں ہیں۔ امید اور عزم کے ساتھ ہم مسلسل ترقی، عمدگی اور طویل المدتی پائیداری کے منتظر ہیں۔

اظہار تشکر:

آخر میں، میں مضاربہ کی مجموعی کارکردگی میں اپنے تمام بورڈ ممبران کے عزم اور تعاون کے لیے اور بورڈ اور انتظامیہ پر اعتماد کے لیے سرٹیفکیٹ ہولڈرز کا شکریہ ادا کرنا چاہتا ہوں۔

میں سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کا گذشتہ سال ان کی قیمتی رہنمائی اور حمایت کا بھی شکر گزار ہوں۔

میں 30 جون 2025ء کو ختم ہونے والے سال میں اپنے ملازمین کی محنت اور مسلسل تعاون کے لیے بھی ان کا شکریہ ادا کرنا چاہوں گا اور میں سال 2026ء میں کامیابی حاصل کرنے کے لیے ان کے ساتھ کام جاری رکھنے کا متمنی ہوں۔

کراچی: 25 ستمبر 2025ء

نوید کامران بلوچ
چیئرمین

چیئرمین کی جائزہ رپورٹ

مجھے آپ کے سامنے OLP مضاربہ (OLPM) کی مجموعی کارکردگی اور مالی سال 2024-25 کے دوران بورڈ کی کاروباری اہداف کے حصول میں کامیابی پر جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس ہورہی ہے۔ بطور بورڈ چیئرمین، میرا بنیادی مقصد یہ ہوگا کہ کارپوریٹ گورننس کے قواعد وضوابط کی مکمل پاسداری کو یقینی بناؤں اور بورڈ آف ڈائریکٹرز کی قیادت کرتے ہوئے مضاربہ کی حکمت عملی کے مطابق اس کی سمت کو مؤثر طریقے سے چلاؤں اور مضاربہ کے تمام شراکت داروں کے مفادات کا تحفظ بھی کروں۔

مضاربہ (OLPM) کیلئے سال 2024-25:

ہمارے ادارے نے 30 جون 2025 کو اختتام پذیر ہونے والے سال کے دوران پائیدار ترقی دکھائی ہے، جس نے سرٹیفکیٹ ہولڈرز کے لیے منافع اور ڈیویڈنڈ کی تقسیم کی صورت میں قدر پیدا کی۔ OLPM کی ٹیم نے اہم کاروباری شعبوں میں غیر معمولی کارکردگی کا مظاہرہ کیا۔ دوران سال کل نئی سرمایہ کاری 3,470 بلین روپے تک پہنچ گئی جو گزشتہ سال کے مقابلے میں 8.71 فیصد زیادہ ہے۔ بیلنس شیٹ کا حجم بھی بڑھ کر 8,874 ملین روپے ہوگیا، جو گزشتہ سال کے 7,738 ملین روپے کے مقابلے میں 14.67 فیصد اضافہ ظاہر کرتا ہے۔ قبل از ٹیکس منافع 10.99 فیصد بڑھ کر 223.86 ملین روپے سے 248.45 ملین روپے ہوگیا۔ اسی طرح، خالص منافع بھی 10.36 فیصد بڑھ کر 157.74 ملین روپے سے 174.08 ملین روپے تک جا پہنچا۔ مجھے یہ بات بتاتے ہوئے خاص فخر محسوس ہورہا ہے کہ اس سال مضاربہ نے اپنی تاریخ کا سب سے زیادہ کل اثاثوں کا بیلنس، سب سے زیادہ قبل از ٹیکس منافع اور سب سے بڑا سرٹیفکیٹ آف مشارکہ پورٹ فولیو حاصل کیا۔

ایوارڈز اور اعزازات:

یہ دیکھ کر بہت خوشی ہوتی ہے کہ OLPM کی بہترین کارکردگی کے عزم نے اسے مضاربہ سیکٹر میں ایک نمایاں مقام دلایا ہے۔ یہ لگن اور محنت نہ صرف پاکستان میں بلکہ بین الاقوامی سطح پر بھی تسلیم کی گئی ہے۔ اس سال OLPM کو ملنے والے اہم ایوارڈز میں مینجمنٹ ایسوسی ایشن آف پاکستان کی جانب سے مضاربہ سیکٹر میں کارپوریٹ ایکسیلنس ٹرافی، مضاربہ ایسوسی ایشن آف پاکستان کی طرف سے ٹاپ پرفارمنس ایوارڈ، کارپوریٹ سوشل ریسپانسبلٹی ایوارڈز میں ''کولیبریشن اینڈ پارٹنرشپ'' اور ''انگیجمنٹ / کمیونیکیشن''، 11 واں انٹرنیشنل ایوارڈ برائے ماحولیات، صحت اور سلامتی، ماحولیاتی مینجمنٹ اور ہیلتھ کیئر سپورٹ، اور ایف پی سی سی آئی کی جانب سے سالانہ انوائرمنٹ ایکسیلنس ایوارڈ شامل ہیں۔

مالیاتی کارکردگی کا جائزہ:

مشکل معاشی صورتحال کے باوجود، دوران سال ہماری کارکردگی بہتر رہی ہے جس میں حصص یافتگان کے لیے قدر پیدا کرنے اور بہترین نتائج کے حصول پر توجہ دی گئی ہے۔ مضاربہ کا قبل از ٹیکس منافع میں 0.20 فیصد اضافہ کا اضافہ ہوا جو کہ مبلغ 152.518 ملین روپے سے بڑھ کر مبلغ 152.830 ملین روپے ہوگیا۔

مضاربہ ایوارڈز اور درجہ بندی:

یہ بات انتہائی اطمینان کا باعث ہے کہ OLPM کی ٹیم کی کارپوریٹ ایکسیلنس کے لیے مستقل عزم نے نہ صرف OLPM کو مضاربہ سیکٹر میں ایک نمایاں اور فکری قیادت فراہم کی ہے، بلکہ اسے قومی اور بین الاقوامی سطح پر بھی شناخت دلائی ہے۔ اس سال OLPM کو مینجمنٹ ایسوسی ایشن آف پاکستان کی جانب سے مضاربہ سیکٹر میں ''کارپوریٹ ایکسیلنس ایوارڈ''، کارپوریٹ سوشل رسپانسبلیٹی ایوارڈز میں ''کولابوریشن اینڈ پارٹنرشپ'' اور ''بزنس پریکٹسز'' کی درجہ بندی میں تعریفی سرٹیفکیٹ، اور ایف پی سی سی آئی کا ''اینول انوائرمنٹ ایکسیلنس ایوارڈ'' سے نوازا گیا ہے۔

بورڈ اور اس کے امور کا جائزہ:

مجھے یہ بتاتے ہوئے خوشی محسوس ہورہی ہے کہ بورڈ آف ڈائریکٹرز نے اپنی ذمہ داریاں محنت اور دیانت داری سے انجام دی ہیں اور مضاربہ کی حکمت عملی کے معاملات میں رہنمائی کرتے ہوئے مثبت کردار ادا کیا ہے۔ موجودہ غیر مستحکم معاشی ماحول میں بورڈ نے بڑے خطرات پر توجہ مرکوز کی اور مضاربہ کے حکمت عملی کی منصوبہ بندی کے عمل میں بھرپور شرکت

FORTY-SECOND REPORT OF THE DIRECTORS OF MODARABA COMPANY

For the year ended June 30, 2025

The Board of Directors of OLP Services Pakistan (Private) Limited (OSPL), the Management Company of OLP Modaraba (OLPM), is pleased to present the Forty Second Directors' report of OLPM, together with audited financial statements and auditors' report thereon for the year ended June 30, 2025.

1. Economy

Pakistan's current account position is once again under pressure. Pakistan's current account has slipped back into deficit in the first two months of FY26, recording a shortfall of USD 624 million after a rare surplus of USD 2.1 billion in FY25. Imports surged to USD 10.4 billion (9% YoY), while exports rose to USD 5.3 billion (10%), widening the goods trade deficit to USD 5.1 billion. The overall balance on goods and services hit USD 5.8 billion, with primary income outflows of USD 1.5 billion nearly offsetting secondary income inflows—mainly remittances—of USD 6.8 billion.

Food imports jumped 37% to USD 1.5 billion, machinery imports rose 23% to USD 1.7 billion, and transport imports nearly doubled to USD 626 million. Petroleum imports fell 5% in value to USD 2.5 billion, but volumes increased. Exports remain stagnant, inching up just 1% to USD 5.1 billion, with food exports down 26% and textile exports up 10% to USD 3.2 billion. Remittances, the only cushion, grew 7% to USD 6.4 billion but are slowing. Without structural reforms—such as diversifying exports, aligning currency policy, and restructuring debt—Pakistan's external account will continue to swing between fleeting surpluses and chronic deficits.

The ongoing floods have delivered a catastrophic blow to both the agricultural and industrial sectors. Reports indicate that up to 60% of the rice crop and 35% of the cotton crop have been destroyed in Punjab alone. This devastation not only threatens food security but also creates a significant supply-side shock, which is expected to cause a spike in domestic food prices and reignite inflation.

All outstanding matters with the IMF were resolved, leading to the approval of the new 37-month EFF arrangement. This program is expected to provide short-term stability. However, there will be need for the second review of the IMF to focus especially on the external financing requirements in 2025-26, in view of the likelihood of a significant increase in the current account deficit as projected by the SBP. Appropriate policies will need to be formulated in the next three quarters to prevent a drawdown of foreign exchange reserves. Further, the impact on the economy of the floods will have to be carefully assessed and how the larger external financing requirements will be met.

2. Operating Results and Business Overview

	June 30, 2025	June 30, 2024
	---------- (Rupees in '000') ----------	
Statement of Financial Position		
Certificate capital	453,835	453,835
Total equity	1,326,902	1,243,593
Investment in Ijarah finance and Ijarah Assets	770,452	1,329,476
Investments in Diminishing Musharika	6,810,158	5,284,579
Redeemable capital	5,633,455	4,287,535
Total assets	8,873,727	7,738,335
Statement of Profit and Loss Account		
Revenue (net of Ijarah assets depreciation)	1,573,649	1,643,245
Financial charges	955,358	1,090,503
Provision for Bad debts for the year	52,814	14,010
Operating expenses	274,444	274,851
Profit before management fee	291,033	263,022
Profit before levy and taxation	252,413	228,634
Net profit	174,077	157,737
Appropriations		
Net profit for the year	174,077	157,737
Add: Unappropriated profit brought forward	120,102	53,132
Profit available for appropriation	294,179	210,869
Profit distribution @ 25% (2024 @ 20%)	113,459	90,767
Unappropriated profit carried forward	180,720	120,102
Earnings per certificate	3.84	3.48

By the Grace of Allah, your Modaraba continued to show strong performance during the financial year ended June 30, 2025. Despite a challenging economic environment, the Modaraba maintained its growth momentum and achieved several financial milestones. Revenue (net of Ijarah asset depreciation) stood at PKR 1,573.65 million, showing a slight decrease compared to PKR 1,643.24 million in the previous year. This was mainly due to a reduction in benchmark rate throughout the year.

Similarly, financial charges decreased by 12.40%, from PKR 1,090.50 million to PKR 955.36 million, reflecting better cost management and a more efficient funding mix. However, the Modaraba recorded a net provision of PKR 52.81 million, compared to PKR 14.01 million last year, due to prudent portfolio adjustments and cautious credit risk management.

Operating expenses were well-controlled, decreased from PKR 274.85 million to PKR 274.44 million, reflecting effective cost management. As a result, profit before management fee rose by 10.65% to PKR 291.03 million, while profit before levy and taxation increased by 10.40% to PKR 252.41 million. The net profit for the year grew by 10.36%, reaching PKR 174.08 million compared to PKR 157.74 million last year.

On the balance sheet side, total assets increased by 14.67%, reaching PKR 8,873.73 million from PKR 7,738.34 million. This growth was driven by a significant rise in Diminishing Musharika portfolio, which grew by 28.89% to PKR 6,810.16 million. Meanwhile, Ijarah finance and assets declined from PKR 1,329.48 million to PKR 770.45 million, reflecting a strategic shift in asset allocation.

Redeemable capital rose sharply by 31.39%, from PKR 4,287.54 million to PKR 5,633.46 million, indicating strong deposit outreach and successful resource mobilization. Total equity also improved, increasing by 6.70% to PKR 1,326.90 million.

This year, your Modaraba achieved three major milestones:

1. Highest-ever total assets;
2. Highest profit before taxation; and
3. Largest balance of COMs (including retail COMs) since inception.

These achievements reflect your continued trust in the Modaraba, the dedication of its management team, and the valuable guidance of the Board of Directors and regulators.

Our business strategy remains focused on building strong relationships with selected clients and initiating partnerships with reputable names. The asset portfolio now includes a balanced mix of multinational companies, large and mid-sized local corporates, and carefully chosen SMEs.

Risk management continues to be a top priority. Borrower credit profiles and repayment capacity are thoroughly assessed before financing is approved, with ongoing monitoring throughout the relationship. Portfolio Management and Early Alert Committees ensure timely identification and response to any emerging risks.

These results reflect the Modaraba's continued focus on building quality assets, maintaining financial discipline, and managing risks effectively. The management remains committed to delivering sustainable growth and creating long-term value for stakeholders.

3. Sustainability

Sustainability is at the core of all of our operations and business plans. Ensuring that the certificate holders get risk adjusted returns on their investments, the Modaraba remains resilient and with long term profitability, going beyond the minimum legal requirements to reduce environment footprint and understanding the company's impact on nature and society, taking care of our employees and making investment and resource allocation decisions which preserve and create value for the company, are major factors in the way we operate. We are committed to reducing our carbon footprint and ensuring that the clients we finance do not have an adverse impact on the environment. In addition to this we are also involved in supporting both health care and education, specially for the differently abled segments of society.

4. Strategic Objectives on ESG

The Board fully endorses the company's ESG initiatives. Our commitment is to seamlessly integrate ESG principles into our strategic planning, fostering long-term growth, mitigating risks, and strengthening trust with stakeholders. OLPM's strategic ESG objectives encompass environmental stewardship, social responsibility, and sound governance practices. We are dedicated to preserving the environment and promoting the adoption of renewable energy solutions.

Key priorities include advancing workplace diversity, safeguarding employee well-being, and supporting community engagement. Our decision-making is anchored in ethical conduct, transparency, integrity, and prudent risk management. Over the years, OLPM has consistently contributed to nonprofit organizations focused on education, healthcare, and social upliftment. We continue to support initiatives that benefit children, health, and education, particularly for underserved segments of society.

5. Pattern of Shareholding

The Modaraba certificates are traded on the Pakistan Stock Exchange Limited. The certificate holding information as of June 30, 2025 is provided in the relevant section of the annual report. The Directors, CEO, CFO/ Company Secretary, Head of Internal Audit and their spouses/ minor children did not carry out any transaction in the certificates of Modaraba during the year, except already disclosed to the regulatory bodies and included in the pattern of shareholding.

6. Profit Distribution

The Board in its meeting held on September 25, 2025 has approved the distribution of profit of PKR. 2.5 (25%) per certificate of PKR 10 each, subject to deduction of zakat and tax at source where applicable, for the year ended June 30, 2025.

7. Corporate and Financial Reporting Framework

- The financial statements, prepared by the management of the Modaraba, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Modaraba have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements, Accounting estimates used are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable to Modarabas in Pakistan, have been followed in preparation of financial statements and any departures there from have been adequately disclosed.
- The system of internal control, which is in place is sound in design and has been effectively implemented and monitored (see note 11).
- There is no doubt upon the Modaraba's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- Key operating and financial data for the last six years in summarized form is included in this annual report.
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on June 30, 2025, except for those disclosed in the financial statements.

8. The Board of Directors' Meetings and Attendance

During the year, six (06) meetings of the Board of Directors were held. No Board meeting was held outside Pakistan. Attendance by each director is as follows:

Name of Director	No. of Meetings Attended
Shaheen Amin	01
Naveed Kamran Baloch	05
Raheel Qamar Ahmad	06
Ramon Alfrey	05
Mian Faysal Riaz	06
Nausherwan Adil	06
Nadim D. Khan	06
Naila Hasan	06

During the year, five (05) meetings of the Audit Committee were held. Attendance by each member was as follows:

Name of Member	No. of Meetings Attended
Mr. Nausherwan Adil - Chairman	05
Mian Faysal Riaz	05
Mr. Ramon Alfrey	05

During the year, one (01) meeting was held by Human Resource and Remuneration Committee to finalize the revision in staff benefits and recommend the yearly staff total compensation which was attended by all members at that time.

Name of Member	No. of Meetings Attended
Ms. Naila Hasan - Chairperson	01
Mr. Ramon Alfrey	01
Mr. Raheel Qamar Ahmad	01

During the year, one (01) meeting was held by Board Risk Committee which was attended by all members at that time.

Name of Member	No. of Meetings Attended
Mian Faysal Riaz - Chairman	01
Mr. Raheel Qamar Ahmad	01
Mr. Nausherwan Adil	01

9. Current Structure of Board and its Committees

The total number of directors are 07 as per the following, -

a. Male: 06

b. Female: 01

The composition of the board and its committees are as follows:

Names of Board Members	Member in Committees	Category
Mr. Naveed Kamran Baloch*	Chairman	Independent Directors
Mr. Nausherwan Adil	Chairman Audit and Member Risk Committee	
Ms. Naila Hasan	Chairperson HR&R Committee	
Mr. Raheel Q. Ahmad	Member Risk, HR&R Committee	Executive Director
Mr. Ramon Alfrey**	Member Audit Committee, Member Risk Committee and Member HR&R Committee	Non-Executive Directors
Mian Faysal Riaz	Chairman Risk Committee and Member Audit Committee	
Mr. Nadim D. Khan		

* Subsequent to the last year end, on August 06, 2024, Mr. Shaheen Amin resigned as a member and Chairman of the Board of directors. The Board wishes to place on record its appreciation and gratitude for the valuable contributions made by Mr. Amin.
Mr. Naveed Kamran Baloch was then appointed as a director of the company with the Registrar Modaraba approving his appointment through SECP letter dated September 11, 2024. He was elected Chairman of the Board on 14 September 2024.

** Mr. Ramon Alfrey was appointed as member of HR&R Committee on September 03, 2024 after resignation of Mr. Shaheen Amin.

In accordance with the Regulation 7 of Listed Companies Code of Corporate Governance 2019, Ms. Naila Hasan was appointed as the female director.

The remuneration of the Executive Directors and Independent Directors were paid by Modaraba management Company.

All seven directors have completed their training under the Director Training Program.

10. Management Committee

The Management Committee comprises of Seven (07) senior members and the Managing Director, who meet and discuss major business plans, issues and progress updates of their respective functions. Major matters are then put forth to the Board for consideration and approvals.

11. Misappropriation of Funds

During the year, certain irregularities were identified in the dividend disbursement process of the Modaraba, relating to changes in dividend holders' bank account details. The matter was reviewed internally, and the full amount of PKR 19.8 million was subsequently recovered by August 2025. The amount has been adjusted under unclaimed dividend during the current year.

This showed a rare lapse in a segment of the payment process which has been mitigated by enforcement of additional robust controls.

12. Social Responsibility

OLPM is committed for conducting business responsibly and investing in communities for their sustainable development. Corporate Social Responsibility is, therefore, an integral part of OLPM's ways of working. At OLPM, we believe in building long-term relationships with neighboring communities, stakeholders and embrace transparency in all work processes. Detailed policies and procedures are in place to enable us to meet the legal, ethical, commercial and public expectations of the communities in which we operate.

At OLPM we have multiple committees on different initiatives related to Corporate Social Responsibility, Health and Safety, Resource Utilization and welfare of the staff and the society as a whole. These committees include Corporate Social Responsibility and Environment Committee, Carbon Reduction Initiative, Volunteering Committee, Well-Being Committee, and Support/ Initiative Committee for Social Welfare.

OLP Modaraba also focuses on its employee's wellbeing and safety. We believe that environmental sustainability is closely linked to the well-being of our employees, clients, and communities. Our initiatives in this area include:

- Breast Cancer Awareness Sessions
- Employee Empowerment program on International Women's Day
- Medical Camps and Wellness Week

OLPM maintains its dedication to environmental protection, conservation, and carbon emissions reduction. In alignment with this commitment, OLPM observes one hour of Earth time across all its offices to promote energy conservation. Notable efforts towards a paperless environment and the use of appropriate technologies have led to reduced carbon emissions and increased cost efficiency. We have embedded Environmental and Social Risk Assessment in our products and services we offer to our clients. All activities of clients must comply with our environmental and social risk policies and an Environmental and Social Risk Assessment is performed for all our corporate clients.

OLPM continues to provide financial assistance to various charitable and non-profit organizations. We supported a range of fund-raising events and projects, which focused primarily on children's health and education in under privileged members of society. OLPM have supported the following charitable and non-profit organizations during the year ended June 30, 2025:

- The Patients' Behbud Society for AKUH;
- Layton Rahmatulla Benevolent Trust Hospital (LRBT);

13. Our People

People at OLP Modaraba are crucial to the delivery of its sustainable business model. In our continuous drive to make OLPM a great place to work, focus is on attracting the best talent across our footprint and employee engagement. At OLP Modaraba we believe high performance is not just about generating high profits; it is about living our values. This year an In-house wellness week was arranged for the staff to promotes a healthier work-life balance and improve their emotional, mental or physical wellbeing. The course of the week comprises of Nutritional Hour, Literacy Hour, Meditation Session, Environmental & Social Hour and Physical Hour.

The Board places on record its appreciation of the services rendered by the staff members responsible for Modaraba affairs. Modaraba's record of achievements would not have been possible without the efforts of every employee. It is indeed the dedication and hard work of each one of them that has brought OLPM to where it stands now. We will continue to invest in our Human Resources.

14. Equal Opportunity Employer

OLPM is an equal opportunity employer and does not discriminate on the basis of gender, language, race, religion and disability. In compliance with all legal requirements OLPM appoints special persons. The responsibility of HR is to ensure transparency in its recruitment and compensation on the basis of merit, experience and qualification.

We specially encourage minorities, ladies and differently abled individuals to apply for each role in our recruitment process. Through this OLPM aligns with the country's emphasis on gender equality and women's empowerment.

15. Environmental Protection Measures

At OLPM, it is our resolve to ensure sustainability in our portfolio and in our practices. In order to protect an environment which is a global cause, we have formed a "Carbon Footprint Reduction Committee". We through our carbon committee continuously strive and find new ways to reduce carbon emissions and to implement that business practices which are environmentally friendly. The Modaraba strongly discourages un-necessary or wasteful use of resources and encourages re-cycling for internal office use.

16. Consumer Protection and Anti-Corruption Measures

Business ethics, anti-corruption and customer confidentiality protection measures are taken seriously at OLPM as we believe, that ethics of employees play a vital role in the development of institutional reputation and sustainability. On one hand our relationship with customers relies on mutual trust, and to retain this trust we set out customer's interest first, while ensuring to provide highest standard of service, treating all customers fairly with transparency and responsibility. Whilst on the other hand our processes are such that ensure that trust is not violated. Adherence to a policy on Anti Bribery and Corruption (ABC), for which the employees are trained regularly and provision of information is granted on need-to-know basis only, with adequate procedures for further disclosure of such information within and outside of the Modaraba. All disclosures of any information comply with all applicable laws & regulations, including Shariah governance, ensure the highest level of governance.

17. External Annual Audit

The financial statements of OLPM have been audited along with the review of Statement of Compliance with the requirements of Listed Companies Code of Corporate Governance 2019, without any qualification by the auditors namely KPMG Taseer Hadi & Co., Chartered Accountants.

18. Auditors

On the recommendation of Audit Committee, the Board has approved the appointment of the Messrs. KPMG Taseer Hadi & Co., Chartered Accountants, as auditors for the year ending June 30, 2026 at a fee mutually agreed with the auditors and subject to approval by the Registrar of Modaraba Companies and Modarabas.

19. Awards

During the period from last annual Directors' Report, your Modaraba has been rewarded with:

- Sectoral trophy by Management Association of Pakistan in the Modaraba Sector.
- Best Performance Award for the year 2024 by NBFI & Modaraba Association of Pakistan;
- 14th Annual Corporate Social Responsibility Award in the category Collaboration & Partnership and Engagement / Communication
- 11th International Award on Environment, health & safety in the category Environmental Management and Support for Health Care Organizations; and
- Annual Environment Excellence Award received from FPCCI.

20. Entity Ratings

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

21. Value of Investment of Provident, Gratuity Funds

The Modaraba maintains retirement benefit plans for its employees. These funds are mainly invested in Collective Investment Schemes of renowned Asset management Companies. Currently, we have invested PKR 25 million and PKR 20 million each from Provident and Gratuity fund respectively. The bank balance and investment value of staff retirement benefit funds based on their respective un-audited accounts as at June 30, 2025 are as follows:

Provident Fund	PKR 53.335 million
Gratuity Fund	PKR 57.012 million

22. Subsequent Events

No material changes or commitments affecting the financial position of the company have occurred between the end of the financial year of the company and the date of this report.

23. Acknowledgment

The Board would like to thank the SECP for its continued guidance and support.

The Board would also like to thank its valued customers and investors for their continued trust and support.

Karachi: September 25, 2025

Ramon Alfrey
Director

Raheel Qamar Ahmad
Managing Director/ CEO

۱۶۔ صارفین کا تحفظ اور انسداد بدعنوانی کے اقدامات:

OLPM میں کاروباری اخلاقیات، انسداد بدعنوانی اور کسٹمر کی رازداری کے تحفظ کے اقدامات کو سنجیدگی سے لیا جاتا ہے جیسا کہ ہم سمجھتے ہیں کہ ملازمین کی اخلاقیات ادارہ جاتی ساکھ اور پائیداری کی ترقی میں اہم کردار ادا کرتی ہیں۔ ایک طرف صارفین کے ساتھ ہمارا رشتہ باہمی اعتماد پر انحصار کرتا ہے، اور اس اعتماد کو برقرار رکھنے کے لیے ہم سب سے پہلے صارف کی دلچسپی کا تعین کرتے ہیں اور اعلیٰ ترین معیار کی سروس فراہم کرنے کو یقینی بناتے ہیں، تمام صارفین کے ساتھ شفافیت اور ذمہ داری کے ساتھ منصفانہ سلوک کرتے ہیں، جبکہ دوسری جانب ہم اپنے عمل سے اس بات کو یقینی بناتے ہیں کہ اعتماد کی خلاف ورزی نہ ہو۔ انسداد رشوت ستانی اور بدعنوانی (ABC) سے متعلق پالیسی پر عمل پیرا ہونے کے لیے ملازمین کو باقاعدگی سے تربیت دی جاتی ہے جو معلومات کی ضرورت کی بنیاد پر پابندی صرف ڈیٹا کے مناسب بیک اپ کے ساتھ ضرورت کی بنیاد پر معلومات کی پابندی اور شرعی حکمرانی سمیت تمام قابل اطلاق قوانین اور ضوابط کی تعمیل کرنے والا عمل اعلیٰ ترین سطح کی حکمرانی کو یقینی بناتا ہے۔

۱۷۔ ایکسٹرنل سالانہ آڈٹ:

فہرست شدہ کمپنیوں کے ضابطہ کار پوریٹ گورننس 2019 کے ضروریات کے تحت تعمیل کے بیان کے جائزے کے ساتھ میسرز KPMG تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کے ذریعہ بغیر کسی اہلیت کے OLPM کے مالیاتی گوشواروں کا آڈٹ کیا گیا ہے۔

۱۸۔ آڈیٹرز:

آڈٹ کمیٹی کی سفارش پر، بورڈ نے میسرز KPMG تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2026 کو ختم ہونے والے سال کے لیے بطور آڈیٹر مقرر کرنے کی منظوری دی ہے جو کہ آڈیٹرز کے ساتھ باہمی رضامندی سے مضاربہ کمپنیوں اور مضاربہ کے رجسٹرار کی منظوری سے مشروط ہے۔

۱۹۔ ایوارڈز:

گذشتہ سالانہ ڈائریکٹرز کی رپورٹ کے دوران، آپ کی مضاربہ کو درج ذیل اعزازات سے نوازا گیا:

☆ مینجمنٹ ایسوسی ایشن آف پاکستان کی جانب سے مضاربہ سیکٹر میں سیکٹورل ٹرافی۔

☆ این بی ایف آئی اور مضاربہ ایسوسی ایشن آف پاکستان کی جانب سے سال 2024 کے لیے بہترین کارکردگی ایوارڈ۔

☆ 14 واں سالانہ کارپوریٹ سوشل ریسپانسبلٹی ایوارڈ، کیٹیگری: تعاون و شراکت داری اور انگیجمنٹ / کمیونیکیشن۔

☆ 11 واں انٹرنیشنل ایوارڈ برائے ماحولیات، صحت اور سلامتی، کیٹیگری: ماحولیاتی مینجمنٹ اور ہیلتھ کیئر آرگنائزیشنز کی معاونت۔

☆ ایف پی سی سی آئی کی جانب سے سالانہ انوائرمنٹ ایکسیلنس ایوارڈ۔

۲۰۔ کریڈٹ ریٹنگز:

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

۲۱۔ پروویڈنٹ، گریجویٹی فنڈز کی سرمایہ کاری کی ویلیو:

مضاربہ اپنے ملازمین کے لیے ریٹائرمنٹ کے فوائد کے منصوبوں کو برقرار رکھے ہوئے ہے۔ یہ فنڈز بنیادی طور پر بینک کی اسلامی برانچ میں رکھے گئے منافع اکاؤنٹس میں لگائے جاتے ہیں۔ فی الحال، ہم نے پروویڈنٹ اور گریجویٹی فنڈز میں بالترتیب 25 ملین روپے اور 20 ملین روپے کی سرمایہ کاری کی ہے۔ 30 جون 2025 کو، ملازمین کے ریٹائرمنٹ بینیفٹ فنڈز کا بینک بیلنس اور سرمایہ کاری کی قیمت ان کے متعلقہ غیر آڈٹڈ اکاؤنٹس کی بنیاد پر درج ذیل ہیں:

پروویڈنٹ فنڈ	53.335 ملین پاکستانی روپے
گریجویٹی فنڈ	57.012 ملین پاکستانی روپے

۲۲۔ بعد از واقعات:

کمپنی کے مالیاتی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حیثیت کو متاثر کرنے والی کوئی مادی تبدیلیاں یا وعدے نہیں ہوئے ہیں۔

۲۳۔ اظہار تشکر:

بورڈ SECP کی مسلسل رہنمائی اور تعاون کا شکریہ ادا کرنا چاہتا ہے۔

بورڈ اپنے قابل قدر صارفین اور سرمایہ کاروں کے مسلسل اعتماد اور تعاون کے لیے ان کا شکریہ ادا کرنا چاہے گا۔

رامن الفرے
ڈائریکٹر

راحیل قمر احمد
مینجنگ ڈائریکٹر/سی ای او

کراچی: 25 ستمبر 2025ء

OLPM میں ہمارے پاس کارپوریٹ سماجی ذمہ داری، صحت اور حفاظت، وسائل کے استعمال اور اسٹاف اور مجموعی طور پر معاشرے کی فلاح و بہبود سے متعلق مختلف اقدامات موجود ہیں۔ ان اقدامات کے لیے ذمہ دار کمیٹیوں میں کارپوریٹ سماجی ذمہ داری اور ماحولیاتی کمیٹی، کاربن ریڈکشن انیشی ایٹو، رضا کارانہ کمیٹی، فلاح و بہبود کمیٹی، سماجی بہبود کے لیے سپورٹ/ انیشی ایٹیو کمیٹی شامل ہیں۔

OLP مضاربہ اپنے ملازمین کی فلاح و بہبود اور حفاظت کا خیال رکھتا ہے۔ اسی سلسلے میں، سال بھر مختلف سرگرمیوں کا انعقاد کیا گیا جن میں بریسٹ کینسر آگاہی سیشنز، یوم خواتین کے موقع پر ملازمین کو بااختیار بنانے کا پروگرام، میڈیکل کیمپس اور ویلنس ویک شامل تھے۔

OLPM ماحول کے تحفظ، قدرتی وسائل کی بچت، اور کاربن کے اخراج میں کمی کے عزم کو برقرار رکھے ہوئے ہے۔ اس عزم کے تحت، OLPM اپنے تمام دفاتر میں "ارتھ ٹائم" کے ایک گھنٹے کا اہتمام کرتا ہے تاکہ توانائی کی بچت کو فروغ دیا جا سکے۔ کاغذ کے بغیر ماحول کی طرف بڑھنے اور موزوں ٹیکنالوجیز کے استعمال کی قابل ذکر کوششوں کے نتیجے میں کاربن کے اخراج میں کمی اور لاگت کی بچت میں اضافہ ہوا ہے۔ ہم نے اپنے پروڈکٹس اور سروسز میں ماحولیاتی اور سماجی رسک کا جائزہ شامل کیا ہے جو ہم اپنے کلائنٹس کو فراہم کرتے ہیں۔ تمام کلائنٹس کی سرگرمیاں ہماری ماحولیاتی اور سماجی رسک پالیسیوں کے مطابق ہونی چاہئیں اور ہم اپنے تمام کارپوریٹ کلائنٹس کے لیے ماحولیاتی اور سماجی رسک کا جائزہ لیتے ہیں۔

OLPM مختلف رفاحی اور غیر منافع بخش تنظیموں کو مالی امداد کی فراہمی جاری رکھے ہوئے ہے۔ ہم فنڈ اکٹھا کرنے کے بہت سے پروگراموں اور منصوبوں کی حمایت کرتے ہیں، جو معاشرے کے کم مراعات یافتہ افراد میں بچوں کی صحت اور تعلیم پر توجہ مرکوز کرتے ہیں۔ 30 جون 2025 کو ختم ہونے والے سال کے دوران، OLPM نے درج ذیل رفاحی اور غیر منافع بخش تنظیموں کو مالی امداد فراہم کی:

☆ دی پیشنٹ بہبود سوسائٹی فار AKUH

☆ لیٹن رحمت اللہ بینوولینٹ ٹرسٹ ہسپتال (LRBT)

۱۳۔ ہمارے لوگ:

OLP مضاربہ کے لوگ اس کے مستحکم کاروباری ماڈل کی فراہمی کے لیے اہم ہیں۔ ہماری مسلسل مہم میں ہماری توجہ OLPM کو کام کرنے کیلئے ایک بہترین جگہ بنانے، ہمارے نقش قدم اور ملازمین کی مصروفیت میں بہترین ٹیلنٹ کو اپنی طرف متوجہ کرنے پر مرکوز ہے۔ OLP مضاربہ میں ہمارا خیال ہے کہ اعلیٰ کارکردگی صرف زیادہ منافع کمانے کے بارے میں نہیں ہے۔ یہ ہمارے اقدار کو زندہ رکھنے کے لئے بھی ہے۔ اس سال، عملے کے لیے ایک اندرون خانہ ویلنس ویک کا انعقاد کیا گیا، جس کا مقصد صحت مند کام اور زندگی کے توازن کو فروغ دینا اور ان کی جذباتی، ذہنی یا جسمانی صحت کو بہتر بنانا تھا۔ اس ہفتے میں مختلف سرگرمیاں نیوٹریشنل آور، لٹریسی آور، میڈیٹیشن سیشن، ماحولیاتی اور سماجی آور، اور فزیکل آور شامل تھیں۔

مضاربہ بورڈ امور کے ذمہ دار اسٹاف کے ارکان کی خدمات کو سراہتا ہے۔ مضاربہ کی کامیابیاں ہر ملازم کی کوششوں کے بغیر ممکن نہیں تھیں۔ یہ درحقیقت ان میں سے ہر ایک کی لگن اور محنت ہے جس نے OLPM کو اس مقام تک پہنچایا ہے جہاں یہ اب کھڑا ہے۔ ہم اپنے انسانی وسائل میں سرمایہ کاری جاری رکھیں گے۔

۱۴۔ مساوی مواقع فراہم کرنے والا آجر:

OLPM ایک مساوی مواقع فراہم کرنے والا کا آجر ہے اور جنس، زبان، نسل، مذہب اور معذوری کی بنیاد پر امتیازی سلوک نہیں کرتا۔ OLPM تمام قانونی تقاضوں کی تعمیل میں خصوصی افراد کا تقرر کرتا ہے۔ قابلیت، تجربے اور قابلیت کی بنیاد پر مناسب تقرری اور معاوضے کے سلسلے میں شفافیت کو یقینی بنانا HR کی ذمہ داری ہے۔

ہم خاص طور پر اقلیتوں، خواتین اور مختلف معذور افراد کی حوصلہ افزائی کرتے ہیں کہ وہ ہمارے تقرری کے عمل میں ہر کردار کے لیے درخواست دیں۔ اس کے ذریعے OLPM ملک کی صنفی مساوات اور خواتین کے بااختیار بنانے پر زور دینے کے ساتھ ہم آہنگ ہے۔

۱۵۔ اقدامات برائے ماحولیاتی تحفظ:

OLPM میں، ہمارا یہ عزم ہے کہ ہم اپنے پورٹ فولیو اور اپنے طریقوں میں استحکام کو یقینی بنائیں۔ ہم نے ایک ایسے ماحول کے تحفظ کے لیے جو ایک عالمی مقصد ہے "کاربن فوٹ پرنٹ ریڈکشن کمیٹی" تشکیل دی ہے۔ ہم اپنی کاربن کمیٹی کے ذریعے کاربن کے اخراج کو کم کرنے کیلئے نئے طریقے تلاش کرتے ہیں اور ان کاروباری ماحول دوست طریقوں کو نافذ کرنے کیلئے مسلسل کوشاں ہیں۔ کمپنی وسائل کے غیر ضروری یا فضول استعمال کی سختی سے حوصلہ شکنی کرتی ہے اور دفتر کے اندرونی استعمال کے لیے دوبارہ سائیکلنگ کی حوصلہ افزائی کرتی ہے۔

۹۔ بورڈ اور اس کی کمیٹیوں کا موجودہ اسٹرکچر:

درج ذیل کے مطابق ڈائریکٹرز کی کل تعداد 07 ہے:

اے۔ مرد: 06

بی۔ خواتین: 01

بورڈ اور اس کی کمیٹیوں کی تشکیل درج ذیل ہے:

ممبران کے نام	کمیٹیوں میں ممبر	درجہ بندی
جناب نوید کامران بلوچ*	چیئرمین	آزاد ڈائریکٹر
جناب نوشروان عادل	چیئرمین آڈٹ ، ممبر رسک کمیٹی	آزاد ڈائریکٹر
محترمہ نائلہ حسن	چیئرمین ہیومن ریسورس اینڈ ریمیونریشن کمیٹی	آزاد ڈائریکٹر
جناب راحیل قمر احمد	ممبر رسک، ہیومن ریسورس اینڈ ریمیونریشن کمیٹی	ایگزیکٹیو ڈائریکٹر
جناب رامن الفرے**	ممبر آڈٹ کمیٹی، ممبر رسک کمیٹی، ممبر ہیومن ریسورس اینڈ ریمیونریشن کمیٹی	نان ایگزیکٹیو ڈائریکٹر
میاں فیصل ریاض	چیئرمین رسک کمیٹی اور ممبر آڈٹ کمیٹی	نان ایگزیکٹیو ڈائریکٹر
جناب ندیم ڈی خان		نان ایگزیکٹیو ڈائریکٹر

* گزشتہ مالی سال کے اختتام کے بعد، 6 اگست 2024 کو جناب شاہین امین نے بورڈ آف ڈائریکٹرز کی رکنیت اور چیئرمین شپ سے استعفیٰ دے دیا۔ بورڈ ان کی قیمتی خدمات اور شاندار تعاون پر اپنے شکریے اور ممنونیت کا اظہار ریکارڈ پر لانا چاہتا ہے۔

بعد ازاں، جناب نوید کامران بلوچ کو کمپنی کا ڈائریکٹر مقرر کیا گیا، جن کی تقرری کو رجسٹرار مضاربہ نے ایس ای سی پی کے لیٹر مورخہ 11 ستمبر 2024 کے ذریعے منظور کیا۔ آپ 14 ستمبر 2024 کو بورڈ کے چیئرمین منتخب ہوئے۔

** جناب رامن الفرے کو 3 ستمبر 2024 کو ہیومن ریسورس اینڈ ریمیونریشن کمیٹی کا ممبر مقرر کیا گیا، جو جناب شاہین امین کے استعفے کے بعد عمل میں آیا۔

لسٹڈ کمپنیز کوڈ آف کارپوریٹ گورننس 2019 کے ضابطہ 7 کے تحت، محترمہ نائلہ حسن کو بطور خاتون ڈائریکٹر تقرر کیا گیا ہے۔

ایگزیکٹیو ڈائریکٹرز اور آزاد ڈائریکٹرز کے معاوضے مضاربہ مینجمنٹ کمپنی نے ادا کیے تھے۔

تمام سات ڈائریکٹرز نے ڈائریکٹر ٹریننگ پروگرام کے تحت اپنی تربیت مکمل کر لی ہے۔

۱۰۔ مینجمنٹ کمیٹی:

مینجمنٹ کمیٹی سات (07) سینئر ممبران اور مینیجنگ ڈائریکٹر پر مشتمل ہے، جو بڑے کاروباری منصوبوں، مسائل اور اپنے متعلقہ کاموں کی پیشرفت کے اپ ڈیٹس سے حاصل کرتے ہیں اور ان پر تبادلہ خیال کرتے ہیں۔ اس کے بعد اہم معاملات کو بورڈ میں غور اور منظوری کے لیے پیش کیا جاتا ہے۔

۱۱۔ فنڈز کی خرد برد:

سال کے دوران، مضاربہ کے ڈیویڈنڈ کی ادائیگی کے عمل میں کچھ بے ضابطگیاں سامنے آئیں جو ڈیویڈنڈ ہولڈرز کے بینک اکاؤنٹ کی تفصیلات میں تبدیلی سے متعلق تھیں۔ اس معاملے کا اندرونی جائزہ لیا گیا اور مکمل رقم 19.8 ملین روپے کی وصولی اگست 2025 تک کر لی گئی۔ یہ رقم موجودہ سال کے دوران غیر دعویٰ شدہ ڈیویڈنڈ کے تحت ایڈجسٹ کر دی گئی ہے۔ یہ واقعہ ادائیگی کے عمل میں نہایت کم واقع ہونے والی خرابی کو ظاہر کرتا ہے، جسے اب مزید مضبوط کنٹرولز نافذ کر کے مؤثر طور پر دور کر دیا گیا ہے۔

۱۲۔ سماجی ذمہ داری:

OLPM ذمہ داری کے ساتھ کاروبار کرنے اور کمیونٹیز میں ان کی ترقی کے لیے سرمایہ کاری کے لیے پرعزم ہے۔ لہٰذا کارپوریٹ سماجی ذمہ داری، OLPM کے کام کرنے کے طریقوں کا ایک لازمی حصہ ہے۔ OLPM میں، ہم پڑوسی کمیونٹیز، اسٹیک ہولڈرز کے ساتھ طویل مدتی تعلقات استوار کرنے اور تمام کام کے عمل میں شفافیت کو اپنانے پر یقین رکھتے ہیں۔ ہم جن کمیونٹیز میں کام کرتے ہیں ان کی قانونی، اخلاقی، تجارتی اور عوامی توقعات کو پورا کرنے کے لیے تفصیلی پالیسیاں اور طریقہ کار موجود ہیں۔

۸۔ بورڈ آف ڈائریکٹرز کی میٹنگ اور حاضری:

دوران سال بورڈ آف ڈائریکٹرز کی چھ (6) میٹنگز منعقد ہوئیں۔ بورڈ کی کوئی میٹنگ پاکستان سے باہر نہیں ہوئی۔ میٹنگ میں ہر ڈائریکٹر کی حاضری درج ذیل تھی:

ڈائریکٹر کا نام	میٹنگ میں حاضری کی تعداد
شاہین امین	01
نوید کامران بلوچ	05
راحیل قمر احمد	06
رامن الفرے	05
میاں فیصل ریاض	06
نوشروان عادل	06
ندیم ڈی خان	06
نائلہ حسن	06

دوران سال آڈٹ کمیٹی کی پانچ (5) میٹنگز منعقد ہوئیں، میٹنگ میں ہر ایک ممبر کی حاضری درج ذیل تھی:

ممبر کا نام	میٹنگ میں حاضری کی تعداد
جناب نوشروان عادل، چیئرمین	05
میاں فیصل ریاض	05
جناب رامن الفرے	05

دوران سال ہیومن ریسورس اور ریمونریشن کمیٹی کی طرف سے اسٹاف کے سالانہ معاوضے کی رقوم کی سفارشات کو حتمی شکل دینے کے لیے ایک (1) میٹنگ منعقد کی گئی جس میں اس وقت تمام اراکین نے شرکت کی۔

ممبر کا نام	میٹنگ میں حاضری کی تعداد
محترمہ نائلہ حسن۔ چیئرپرسن	01
جناب رامن الفرے	01
جناب راحیل قمر احمد	01

دوران سال بورڈ رسک کمیٹی کی ایک میٹنگ منعقد ہوئی، جس میں اس وقت تمام ممبران نے شرکت کی۔

ممبر کا نام	میٹنگ میں حاضری کی تعداد
میاں فیصل ریاض۔ چیئرمین	01
جناب راحیل قمر احمد	01
جناب نوشروان عادل	01

۴۔ ESG پر اسٹریٹجک مقاصد:

OLPM کے بورڈ نے کمپنی کی ESG (ماحولیاتی، سماجی اور گورننس) اقدامات کی مکمل تائید کی ہے۔ ہمارا عزم یہ ہے کہ ESG اصولوں کو اپنی اسٹریٹجک منصوبہ بندی میں مؤثر طریقے سے شامل کیا جائے تاکہ طویل مدتی ترقی کو فروغ دیا جا سکے، خطرات کو کم کیا جا سکے اور اسٹیک ہولڈرز کے ساتھ اعتماد کو مزید مستحکم کیا جا سکے۔ OLPM کے اسٹریٹجک ESG مقاصد میں ماحولیاتی تحفظ، سماجی ذمہ داری اور مضبوط گورننس پالیسیز شامل ہیں۔ ہم ماحول کو محفوظ رکھنے اور قابلِ تجدید توانائی کے حل کو اپنانے کے فروغ کے لیے پرعزم ہیں۔

اہم ترجیحات میں کام کی جگہ پر تنوع کو آگے بڑھانا، ملازمین کی فلاح و بہبود کو یقینی بنانا اور کمیونٹی کے ساتھ تعلقات استوار کرنے کی معاونت شامل ہے۔ ہمارے فیصلے اخلاقی اصولوں، شفافیت، دیانت داری اور محتاط رسک مینجمنٹ پر مبنی ہوتے ہیں۔ گزشتہ برسوں میں OLPM نے مستقل طور پر ان غیر منافع بخش تنظیموں کی معاونت کی ہے جو تعلیم، صحت اور سماجی بہتری پر کام کر رہی ہیں۔ ہم آئندہ بھی ان اقدامات کی حمایت جاری رکھیں گے جو بچوں، صحت اور تعلیم کے شعبوں، خصوصاً محروم طبقات کے لیے فائدہ مند ہوں۔

۵۔ شیئر ہولڈنگ کا پیٹرن:

مضاربہ سرٹیفکیٹس کی تجارت پاکستان اسٹاک ایکسچینج لمیٹڈ میں کی جاتی ہے۔ اس سالانہ رپورٹ کے متعلقہ حصے میں 30 جون 2025 تک کے سرٹیفکیٹ کی معلومات فراہم کی گئی ہیں۔ ڈائریکٹرز، سی ای او، سی ایف او/ کمپنی سیکرٹری، ہیڈ آف انٹرنل آڈٹ اور ان کی شریک حیات اور نابالغ بچوں نے دوران سال مضاربہ کے سرٹیفکیٹس میں کوئی لین دین نہیں کیا سوائے اس کے کہ ریگولیٹری اداروں کو پہلے سے ظاہر کر دیا گیا ہو اور شیئر ہولڈنگ کے پیٹرن میں شامل ہو۔

۶۔ منافع کی تقسیم:

بورڈ نے 25 ستمبر 2025 کو اپنے منعقدہ اجلاس میں 30 جون 2025 کو اختتام پذیر ہونے والے سال کیلئے مبلغ 2.5 روپے (25 فیصد) بحساب فی سرٹیفکیٹ 10 روپے کے منافع کی تقسیم کی منظوری دی ہے جو کہ جہاں قابل اطلاق ہو وہاں زکوٰۃ اور ٹیکس کی کٹوتی سے مشروط ہوگا۔

۷۔ کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک:

☆ مالیاتی حسابات جو کہ کمپنی کی انتظامیہ نے مرتب کئے ہیں اور اس میں تمام مندرجات بالکل صحیح پیش کئے گئے ہیں جس میں اس کے آپریشن، نقد کا لین دین اور ایکوئیٹی میں تبدیلیاں شامل ہیں۔

☆ مضاربہ کے حساب کتاب کے کھاتے مناسب طریقے سے مرتب کئے ہیں۔

☆ مالیاتی حسابات کی تیاری میں مناسب اکاؤنٹنگ کی پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور اکاؤنٹنگ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہوتا ہے۔

☆ انٹرنیشنل فنانشل رپورٹنگ کا معیار جو کہ پاکستان میں مضاربہ کیلئے قابل اطلاق ہے کے مطابق مالیاتی حسابات کی تیاری میں عمل کیا جاتا ہے۔

☆ آپریشنز کو موثر انداز میں انجام دینے، اثاثہ جات کی حفاظت، قابل اطلاق قوانین اور ضوابط کی تعمیل اور قابل اعتماد مالی رپورٹنگ کے لئے داخلی کنٹرولز کا ایک موثر نظام قائم کیا ہے۔ (نوٹ 11 ملاحظہ کریں)

☆ مضاربہ کو مسلسل چلانے کیلئے اس کی اہلیت پر کوئی شک وشبہ نہیں ہے۔

☆ کوئی بھی مواد کارپوریٹ گورننس کی اعلیٰ پریکٹس سے خالی نہیں ہے جس کی تفصیلات ریگولیشن کی فہرست میں دی گئی ہے۔

☆ گزشتہ چھ سالوں کا اہم آپریٹنگ اور مالیاتی ڈیٹا کی تفصیل منسلک ہے۔

☆ ٹیکسز، ڈیوٹیز، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگیاں نہیں ہیں جو کہ 30 جون 2025 تک بقایا ہوں، سوائے ان مالیاتی گوشواروں میں جن کا انکشاف کیا گیا ہے۔

اسی طرح، مالیاتی چارجز میں 12.40 فیصد کمی آئی اور یہ 1,090.50 ملین روپے سے کم ہو کر 955.36 ملین روپے ہو گئے، جو بہتر لاگت کنٹرول اور زیادہ مؤثر فنڈنگ مکس کی عکاسی کرتا ہے۔ تاہم، مضاربہ نے اس سال 52.81 ملین روپے کی خالص پروویژن ریکارڈ کی، جو گزشتہ سال کے 14.01 ملین روپے کے مقابلے میں زیادہ ہے۔ اس کی وجہ پورٹ فولیو میں احتیاطی ایڈجسٹمنٹس اور محتاط کریڈٹ رسک مینجمنٹ تھی۔

آپریٹنگ اخراجات مؤثر انداز میں قابو میں رکھے گئے، جو 274.85 ملین روپے سے کم ہو کر 274.44 ملین روپے ہو گئے، جو بہتر لاگت مینجمنٹ کو ظاہر کرتا ہے۔ نتیجتاً، مینجمنٹ فیس سے قبل منافع 10.65 فیصد بڑھ کر 291.03 ملین روپے ہو گیا، جبکہ لیوی اور قبل از ٹیکس منافع 10.40 فیصد بڑھ کر 252.41 ملین روپے ہو گیا۔ سال کا خالص منافع 10.36 فیصد بڑھ کر 174.08 ملین روپے ہو گیا، جو گزشتہ سال کے 157.74 ملین روپے کے مقابلے میں زیادہ ہے۔

بیلنس شیٹ کے اعتبار سے، کل اثاثے 14.67 فیصد بڑھ کر 7,738.34 ملین روپے سے 8,873.73 ملین روپے ہو گئے۔ یہ اضافہ بنیادی طور پر ڈمنشنگ مشارکہ پورٹ فولیو میں نمایاں اضافے (28.89 فیصد بڑھ کر 6,810.16 ملین روپے) کی وجہ سے ہوا۔ دوسری طرف، اجارہ فنانس اور اثاثے 1,329.48 ملین روپے سے کم ہو کر 770.45 ملین روپے رہ گئے، جو اثاثوں کی تقسیم میں اسٹریٹجک تبدیلی کو ظاہر کرتا ہے۔

رڈیم ایبل کیپیٹل میں نمایاں اضافہ ہوا، جو 31.39 فیصد بڑھ کر 4,287.54 ملین روپے سے 5,633.46 ملین روپے تک ہو گیا، جو مضبوط ڈپازٹ نیٹ ورک اور وسائل کی کامیاب فراہمی کو ظاہر کرتا ہے۔ کل ایکویٹی بھی بہتر ہوئی اور 6.70 فیصد بڑھ کر 1,326.90 ملین روپے ہو گئی۔

اس سال، آپ کے مضاربہ نے تین بڑی کامیابیاں حاصل کیں:

۱۔ سب سے زیادہ کل اثاثے؛

۲۔ قبل از ٹیکس سب سے زیادہ منافع؛ اور

۳۔ اپنے آغاز سے اب تک سب سے بڑا اسی او ایم (COMs)، بشمول ریٹیل سی او ایم کا بیلنس۔

یہ کامیابیاں آپ کے اعتماد، مینجمنٹ ٹیم کی انتھک محنت اور بورڈ آف ڈائریکٹرز و ریگولیٹرز کی قیمتی رہنمائی کا منہ بولتا ثبوت ہیں۔

ہماری کاروباری حکمت عملی منتخب کلائنٹس کے ساتھ مضبوط تعلقات قائم کرنے اور معتبر اداروں کے ساتھ شراکت داری شروع کرنے پر مرکوز ہے۔ اثاثوں کا پورٹ فولیو اب ایک متوازن امتزاج پر مشتمل ہے، جس میں ملٹی نیشنل کمپنیاں، بڑی اور درمیانے درجے کی مقامی کارپوریشنز، اور احتیاط سے منتخب کی گئی ایس ایم ایز شامل ہیں۔

رسک مینجمنٹ ہماری اولین ترجیحات میں شامل ہے۔ قرض لینے والوں کی کریڈٹ پروفائل اور ادائیگی کی صلاحیت کو فنانسنگ کی منظوری سے پہلے اچھی طرح پرکھا جاتا ہے اور تعلق کے دوران مسلسل نگرانی کی جاتی ہے۔ خصوصی پورٹ فولیو مینجمنٹ اور ارلی الرٹ کمیٹیاں ابھرتے ہوئے خطرات کی بروقت نشاندہی اور ان کا حل یقینی بناتی ہیں۔

یہ نتائج اس بات کی عکاسی کرتے ہیں کہ مضاربہ مسلسل معیاری اثاثے بنانے، مالی ڈسپلن قائم رکھنے اور مؤثر طریقے سے رسک مینجمنٹ پر توجہ دے رہا ہے۔ مینجمنٹ پائیدار ترقی اور اسٹیک ہولڈرز کے لیے طویل مدتی اقدر پیدا کرنے کے عزم پر قائم ہے۔

۳۔ **پائیداری:**

پائیداری ہمارے تمام آپریشنز اور کاروباری منصوبوں کا مرکزی حصہ ہے۔ اس بات کو یقینی بناتے ہوئے کہ سرٹیفکیٹ ہولڈرز کو ان کی سرمایہ کاری پر خطرہ سے ایڈجسٹ کردہ منافع ملے، مضاربہ مستقل مزاجی اور طویل مدتی منافع کو برقرار رکھتا ہے۔ ہم قانونی کم از کم ضروریات کی تکمیل کرتے ہیں تاکہ ماحولیاتی اثرات کو کم کیا جا سکے اور کمپنی کے قدرتی اور سماجی اثرات کو سمجھ سکیں۔ ہم اپنے ملازمین کا خیال رکھتے ہیں اور سرمایہ کاری اور وسائل کی تقسیم کے فیصلے کرتے ہیں جو کمپنی کے لیے قدر پیدا کرتے ہیں۔ ہم اپنے کاربن کے اثرات کو کم کرنے کے لیے پرعزم ہیں اور یہ یقینی بناتے ہیں کہ جن صارفین کو ہم مالی معاونت فراہم کرتے ہیں ان کا ماحول پر منفی اثر نہ ہو۔ اس کے علاوہ، ہم خاص طور پر معذور افراد کے طبقے کیلئے، صحت کی دیکھ بھال اور تعلیم کی معاونت میں بھی شامل ہیں۔

۲۔ عملی نتائج اور کاروباری جائزہ:

	30 جون 2025ء (روپے '000')	30 جون 2024ء (روپے '000')
بیلنس شیٹ		
سرٹیفیکیٹ کیپیٹل	453,835	453,835
مجموعی ایکوئٹی	1,326,902	1,243,593
اجارہ فنانس اور اجارہ اثاثہ جات میں سرمایہ کاری	770,452	1,329,476
ڈیمنشنگ مشارکہ میں سرمایہ کاری	6,810,158	5,284,579
ریڈیم ایبل کیپیٹل	5,633,455	4,287,535
کل اثاثہ جات	8,873,727	7,738,335
منافع اور خسارہ		
آمدنی (اجارہ اثاثہ جات کی قدر میں کمی)	1,573,649	1,643,245
مالیاتی چارجز	955,358	1,090,503
(پرووژنز)	52,814	14,010
عملی اخراجات	274,444	274,851
انتظامی فیس سے قبل از منافع	291,033	263,022
قبل از ٹیکس منافع	252,413	228,634
خالص منافع	174,077	157,737
مختصات		
سال کیلئے خالص منافع	174,077	157,737
شامل: غیر مختص شدہ منافع b/f	120,102	53,132
دستیاب منافع برائے مختص	294,179	210,869
منافع کی تقسیم % 25 @ (2024 @20%)	113,459	90,767
غیر مختص شدہ منافع c/f	180,720	120,102
آمدنی فی سرٹیفیکیٹ	3.84	3.48

اللہ کے فضل و کرم سے، آپ کے مضاربہ نے مالی سال 30 جون 2025 کو ختم ہونے والے مالی سال میں شاندار کارکردگی جاری رکھی۔ مشکل معاشی حالات کے باوجود، مضاربہ نے اپنی ترقی کی رفتار کو برقرار رکھا اور کئی مالیاتی اہداف حاصل کیے۔ آمدنی (اجارہ اثاثوں کی فرسودگی نکالنے کے بعد) 1,573.65 ملین روپے رہی، جو گزشتہ سال کے 1,643.24 ملین روپے کے مقابلے میں معمولی کمی ہے۔ اس کمی کی بنیادی وجہ پورے سال کے دوران بینچ مارک ریٹ میں کمی تھی۔

مضاربہ کمپنی کے ڈائریکٹرز کی 30 جون 2025ء کو اختتام پذیر ہونے والے سال کیلئے بیالیسویں رپورٹ

OLP سروسز پاکستان (پرائیویٹ) لمیٹڈ (OSPL) کے بورڈ آف ڈائریکٹرز اور OLP مضاربہ (OLPM) کی انتظامی کمپنی، 30 جون 2025ء کو اختتام پذیر ہونے والے سال کیلئے OLPM کے ڈائریکٹرز کی بیالیسویں رپورٹ بشمول آڈٹ شدہ مالیاتی گوشوارے اور آڈیٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

ا۔ معیشت:

پاکستان کا کرنٹ اکاؤنٹ ایک بار پھر دباؤ میں ہے۔ مالی سال 2026 کے ابتدائی دو مہینوں میں کرنٹ اکاؤنٹ خسارے میں چلا گیا ہے، جو 624 ملین امریکی ڈالر کے برابر ہے، جبکہ گزشتہ مالی سال 2025 میں یہ 2.1 بلین ڈالر سرپلس تھا۔ درآمدات بڑھ کر 10.4 بلین ڈالر تک پہنچ گئیں (سال بہ سال 9 فیصد اضافہ)، جبکہ برآمدات 5.3 بلین ڈالر رہیں (10 فیصد اضافہ)، جس سے اشیاء کی تجارت کا خسارہ بڑھ کر 5.1 بلین ڈالر ہو گیا۔ اشیاء اور خدمات کا مجموعی خسارہ 5.8 بلین ڈالر ریکارڈ ہوا۔ اس کے ساتھ ہی پرائمری آمدنی کی مد میں 1.5 بلین ڈالر کی ادائیگیاں تقریباً اس کمی کو پورا کر گئیں جو سیکنڈری آمدنی کی مد میں 6.8 بلین ڈالر کی رقوم، زیادہ تر ترسیلات زر کی صورت میں موصول ہوئیں۔

غذائی اجناس کی درآمدات 37 فیصد بڑھ کر 1.5 بلین ڈالر تک جا پہنچیں، مشینری کی درآمدات 23 فیصد اضافے کے ساتھ 1.7 بلین ڈالر ہو گئیں، جبکہ ٹرانسپورٹ کی درآمدات تقریباً دوگنی ہو کر 626 ملین ڈالر ریکارڈ ہوئیں۔ پیٹرولیم مصنوعات کی درآمدات مالیت کے لحاظ سے 5 فیصد کم ہو کر 2.5 بلین ڈالر رہیں، تاہم ان کی مقدار میں اضافہ دیکھا گیا۔ برآمدات تقریباً جمود کا شکار رہیں اور محض 1 فیصد بڑھ کر 5.1 بلین ڈالر تک پہنچیں، جن میں غذائی اجناس کی برآمدات 26 فیصد کم ہوئیں جبکہ ٹیکسٹائل کی برآمدات 10 فیصد بڑھ کر 3.2 بلین ڈالر تک پہنچ گئیں۔ ترسیلات زر جو واحد سہارا ہیں 7 فیصد بڑھ کر 6.4 بلین ڈالر ہو گئیں لیکن ان کی رفتار کم ہو رہی ہے۔ اگر ساختی اصلاحات مثلاً برآمدات میں تنوع لانا، کرنسی پالیسی کو حقیقت سے ہم آہنگ کرنا اور قرضوں کی تنظیم نو، نہ کی گئیں، تو پاکستان کا بیرونی کھاتہ کبھی وقتی سرپلس اور کبھی مستقل خسارے کے درمیان ڈگمگاتا رہے گا۔

جاری حالیہ سیلاب نے زرعی اور صنعتی شعبے کو شدید نقصان پہنچایا ہے۔ رپورٹس کے مطابق صرف پنجاب میں چاول کی فصل کا تقریباً 60 فیصد اور کپاس کی فصل کا 35 فیصد تباہ ہو گیا ہے۔ یہ تباہی نہ صرف غذائی تحفظ کے لیے خطرہ ہے بلکہ سپلائی سائیڈ پر ایک بڑا دھچکا بھی ہے، جس کے نتیجے میں مقامی کھانے پینے کی اشیاء کی قیمتوں اور افراط زر میں تیزی سے اضافہ کا خدشہ ہے۔

آئی ایم ایف کے ساتھ تمام زیر التواء معاملات طے پا گئے ہیں اور نئے 37 ماہ کے ایکسٹینڈڈ فنڈ فیسلٹی (EFF) پروگرام کی منظوری دے دی گئی ہے۔ اس پروگرام سے قلیل مدتی استحکام کی توقع ہے۔ تاہم، مالی سال 26-2025 میں متوقع کرنٹ اکاؤنٹ خسارے کے پیش نظر، آئی ایم ایف کا دوسرا جائزہ بالخصوص بیرونی فنانسنگ ضروریات پر مرکوز ہوگا۔ اگلے تین سہ ماہیوں میں ایسی پالیسیوں کی ضرورت ہوگی جو زرمبادلہ کے ذخائر کو کم ہونے سے بچا سکیں۔ مزید یہ کہ سیلاب کے معیشت پر اثرات اور بڑھتی ہوئی بیرونی فنانسنگ کی ضروریات کو پورا کرنے کے طریقوں کا باریک بینی سے جائزہ لینا بھی ناگزیر ہوگا۔

THE CHAIRMAN AND CEO ROLE

Chairman of the Board – Role and Responsibilities

The Chairman of the Board serves as the strategic leader and governance steward of OLPM's Board of Directors, ensuring that the Board operates with integrity, effectiveness, and alignment to the organization's long-term vision. The Chairman's role is pivotal in fostering a high-performing Board culture and enabling sound decision-making across all levels.

Key responsibilities include:

Board Composition & Capability: Oversees the structure, diversity, and competency of the Board to ensure it remains fit for purpose and aligned with OLPM's strategic needs.

Leadership & Governance: Provides effective leadership to the Board, ensuring robust governance practices and adherence to regulatory and fiduciary responsibilities.

Meeting Stewardship: Ensures Board and Committee meetings are focused, well-structured, and conducive to open dialogue, constructive challenge, and consensus-building.

Executive Collaboration: Maintains regular engagement with the Chief Executive, offering strategic counsel, support, and oversight while respecting executive autonomy.

Agenda Planning: Works closely with the Chief Executive and Company Secretary to develop and maintain a forward-looking 12-month Board agenda aligned with strategic priorities.

Performance Evaluation: Leads the formal assessment of Board effectiveness, including individual Director contributions, and drives continuous improvement in governance standards.

The Chairman plays a critical role in upholding OLPM's values, ensuring strategic alignment, and maintaining stakeholder confidence through transparent and accountable Board leadership.

A clear division of responsibilities is important for the effective working of the Board and to ensure that no one individual has unfettered power of decision. The Chairman and Chief Executive work together to provide effective and complementary stewardship. The Chief Executive operates within clearly defined limits of authority delegated by the Board and any matters outside these limits are referred to the Board for consideration.

Chief Executive Officer – Role and Responsibilities

The Chief Executive Officer (CEO) of OLPM serves as the strategic and operational leader, responsible for translating the Board's vision into actionable plans and delivering sustainable performance across the Modaraba's business. The CEO is accountable for day-to-day management, long-term value creation, and upholding OLPM's commitment to Shariah-compliant financial excellence.

Key responsibilities include:

Leadership & Culture: Provides effective leadership to the OLPM team, fostering a high-performance culture rooted in integrity, collaboration, and Islamic values.

Strategic Execution: Drives the implementation of Board-approved strategies, ensuring alignment with OLPM's financial, operational, and ethical objectives.

Growth & Value Creation: Identifies and evaluates strategic opportunities to enhance shareholder value and expand OLPM's market presence.

Operational Oversight: Oversees the development and execution of operating plans and budgets to achieve short- and long-term goals.

Capital & Risk Management: Works closely with the Chief Financial Officer to maintain an optimal capital structure, robust risk management framework, and sound internal controls.

Talent & Succession Planning: Reviews and implements HR policies and succession strategies to build organizational capacity and leadership continuity.

Industry Representation: Acts as a thought leader and industry representative, engaging regularly with regulators such as SECP and contributing to sector-wide dialogue.

Ethical Stewardship: Sets the ethical tone for the organization, promoting principled leadership and a values-driven environment.

Stakeholder Engagement: Ensures effective communication and relationship management with clients, investors, regulators, and other key stakeholders.

Performance & Sustainability: Delivers consistent operational performance against targets, while driving continuous improvement in safety, sustainability, and service quality.

The CEO plays a pivotal role in steering OLPM's strategic direction, ensuring operational excellence, and reinforcing stakeholder confidence in a dynamic financial landscape.

Composition of Board Committees

The Board of Directors comprises of seven (07) Directors out of which six (06) are Non-Executive including three (03) are Independent Directors. The Chairman of the Board is a Non-Executive Director. The roles of Chairman and the CEO have been segregated and responsibilities have been clearly defined. The CEO is responsible for operations of the Modaraba, whereas the Board, under the Chairman, performs oversight.

The Board has established following committees:

1) Board Audit Committee ;
2) Human Resource & Remuneration (HR&R) Committee ; and
3) Board Risk Committee.

Board Audit Committee

1. To review, monitor and recommend for approval the statutory accounts of the Company, published financial statements of Modaraba for issuance to its certificate holders and other stakeholders including Stock Exchange and regulatory authorities, including appropriateness and completeness of significant financial reporting judgements contained in them.
   In particular:

   (a) To consider the quality, application and acceptability of the accounting policies and practices, the adequacy of accounting records and financial and governance reporting disclosures and changes thereto.

   (b) To consider recommendations of management in respect of provisions for bad and doubtful debts and for any other provisions for losses and charges

   (c) Significant adjustments resulting from the audit;

   (d) Going concern assumption

   (e) Any changes in accounting policies and practices.

   (f) Compliance with applicable accounting standards; Sub clause 4(ii)(e) of Regulation 27

   (g) Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019. and other statutory/ regulatory requirements and identification of significant violations thereof.

   (h) All related party transactions.

2. To keep under review the appropriateness of the accounting policies and to consider changes to these.

3. To review the preliminary announcements of results prior to external communication and publication.

4. To facilitate the external audit and discuss with external auditors major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary)

5. To ascertain that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective.

6. To review the company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;

7. To institute special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive Officer and to consider remittance of any matter to the external auditors or to any other external body.

8. To review arrangements for staff and management to report to the audit committee in confidence, raise concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures; The Audit Committee shall ensure that arrangements are in place for the proportionate and independent investigation of such matters and appropriate follow-up action.

9. To review details of all related party transactions (other than those involving Directors which will be placed before the Board of Directors) and recommend the same to the Board of Directors for review and approval.

10. In relation to the accounting and financial reporting function:

    (a) to ensure that the accounting and financial reporting function is adequately resourced

    (b) to review the qualifications and experience of reporting accountants appointed and their training programmes and budget;

11. In relation to the internal audit function:

    (a) to review the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed.

    (b) to review and monitor management's responsiveness to the internal auditor's findings and recommendations;

    (c) to monitor and assess the role and effectiveness of the internal audit function and to receive reports from the Head of Internal Audit on these matters;

    (d) to consider major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;

    (e) to consider the appointment, resignation or removal of the Head of Internal Audit;

12. In relation to the external auditors:

    (a) to consider and make recommendations to the Board, on their appointment, re-appointment, resignation or removal which will be put to shareholders for approval in the Annual Review Meeting and in the case of Modaraba, for approval in the meeting of the Board;

    (b) to approve the terms of engagement or delegate the same for approval by the CEO, the nature and scope of their audit and the effectiveness of the audit process.

    (c) to review any representation letter(s) requested by the external auditor before they are signed by management or delegate this matter to the CEO.

    (d) to review the management letter and management's response to the auditor's findings and recommendations;

(e) to review the independence and objectivity of the external auditors and to develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm.

(f) agree on the adequacy of employment with Modaraba of former employees of the external auditor.

(g) to ensure coordination between the internal and external auditors.

(h) to review the findings of their audit including any major issues that arose during the course of the audit that have subsequently been resolved and any unresolved audit issues. To consider key accounting and audit judgments, the level of errors identified during the audit, obtain explanations from management, and, where necessary, the external auditors as to why audit differences remain unadjusted.

(i) to review and monitor the cost-effectiveness of the audit taking into consideration relevant professional and regulatory requirements and to recommend the approval of audit fee and the provision of any service permissible to be rendered to the Modaraba by the external auditors in addition to the audit of its financial statements, measures for redressal and rectification of non-compliance with the Regulations;

13. To consider the adequacy of disclosures in the annual report including:

(a) the role of the Committee, its activities and how it has discharged its responsibilities, membership of the Committee, number of Committee meetings, attendance over the course of the year and whether or not external advice was taken and its source;

(b) the explanation in the annual report on how auditors' independence and objectivity has been safeguarded in the event of the external auditors providing non-audit services, if required under the local laws;

(c) any findings and other matters arising from the external auditors' half yearly and final audits;

14. To consider the annual report and discuss any findings and other matters arising from the external auditors' interim and final audits;

15. To determine appropriate measures to safeguard the company's assets;

16. To consider reports, review and approve impairment provisioning on a case to case basis;

17. To review reports from the Head of Compliance and Assurance on the arrangements established by management for ensuring adherence to internal compliance policies, procedures and codes and relevant regulatory and legal requirements and identification of significant violations thereof;

18. To report to the Board on its consideration of the above matters, identifying those areas where action or improvement is needed, and making recommendations as appropriate;

19. To consider and examine such other matters as the Board requires, the Committee considers appropriate, or which are brought to its attention and to make recommendations or reports to the Board as appropriate.

20. To report any unresolved issues between the Committee and the Board as part of its disclosure on its responsibilities in the annual report.

21. For the Chairperson of the "Committee" to attend the Annual Review Meeting of the Modaraba and answer any questions, on the Committee's activities and its responsibilities;

22. To give due consideration to laws, regulations and the requirements of the Code of Corporate Governance and Listing Rules as appropriate.

23. To review these Terms of Reference once in three years and recommend any changes to it.

24. To ensure that minutes of meetings of the Audit Committee are sent to all directors, the head of internal audit and where required to Chief Financial Officer prior to the next meeting of the Board. However, where this is not practical, the Chairperson of the audit committee shall communicate a synopsis of the proceedings to the Board.

Human Resource & Remuneration (HR&R) Committee:

The Committee shall maintain high levels of good governance on all remuneration related matters, in line with prevailing international best practices, as well as any specific regulatory directives in Pakistan;

The Committee shall:

1. Recommend Human Resources related policies to the OLPSPPL Board, to the extent required.

2. Recommend to the board for consideration and approval a policy framework for determining the remuneration of directors (both executive and non-executive directors).

3. Make recommendations to the OLPSPPL Board on the selection, evaluation, and compensation (including salary, performance award, and end of service benefits) of, Chief Financial Officer, Head of Internal Audit, and Company Secretary.

4. Review and recommend to the Board on the selection, evaluation and compensation (including performance ratings, salary, performance award, and end of service benefits) of the CEO.

5. Review and recommend to the Board the Company's succession plan for the CEO and other statutory position.

7. Review the ongoing appropriateness and relevance of remuneration related policies.

8. Review the terms of reference of the Committee at least every three years and propose any changes it considers necessary to the OLPSPPL Board for approval.

9. Make recommendations to the OLPSPPL Board on the appointment of a new committee member in case a member resigns from the committee. However, it will be the sole discretion of the Board to appoint any new member.

10. Where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the OLPSPPL.

11. Undertake annually a formal process of evaluation of the performance of the board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualifications and major terms of appointment.

Reporting Responsibilities

1. Report formally to the OLPSPPL Board on its proceedings after each meeting on all matters within its duties and responsibilities.

2. Ensure that the names of the members of the committee shall be disclosed in each Annual Report.

Board Risk Committee:

The responsibilities of the BRC shall be:

1. Set the risk appetite of the Modaraba.

2. Ensure the design and implementation of appropriate risk management and internal control systems that identify the risks facing the Modaraba and enable the Board to make a robust assessment of the principal risks.

3. Determine the nature and extent of principal risks faced by the OLPM and those risks which the Modaraba is willing to take in the achievement of its strategic objectives.

4. Ensure that necessary steps are taken to foster an enterprise-wide culture that supports appropriate risk awareness, behaviors, and judgments about risk and that ensures that risk-taking beyond the Modaraba's determined risk appetite is recognized and appropriately escalated and timely addressed.

5. Determine how the principal risks should be managed or mitigated to reduce the likelihood of their occurrence or their impact.

6. Ensure that the risk management policies and procedures designed and implemented by the OLPM are consistent with the Modaraba's strategy and risk appetite.

7. Ensure that risk management policies and procedures are functioning as directed, by monitoring the Modaraba's risk management and internal control systems and the management's process of monitoring and reviewing, and ensure that these are functioning effectively and that corrective action is being taken where necessary.

8. Ensure the existence of sound internal and external information and communication processes.

9. Ensure that emerging and inter-related risks are also considered in the risk management process by Management.

10. At least on annual basis, perform an overall review of business risks to ensure that Management maintains a sound system of risk identification, risk management and related systemic and internal controls to safeguard assets, resources, reputation and interest of the Modaraba and certificate holders.

11. Periodically assess the Board's risk oversight processes to ensure that these enable the Board to achieve its risk oversight objectives.

12. Ensure appropriate disclosure of the Modaraba's risk framework and internal control system in the Directors Report.

13. Ensure that risk mitigation measures are robust and integrity of financial information is ensured.

14. Monitor and review all material controls (financial, operational, compliance).

Reporting

1. The Committee shall review its terms of reference every three year and recommend any necessary changes to the Board.

2. The Committee shall report on an annual basis to the Board on its activities by comparing the Committee performance with its duties.

3. The Committee shall report on its roles and responsibilities and the actions it has taken to discharge those responsibilities for inclusion in the annual report and accounts. The report may be in the form of an oral report made at any regularly scheduled Board meeting.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the certificate holders of OLP Modaraba

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 Services Pakistan (Private) Limited, the Management Company of OLP Modaraba (the Modaraba) for and on behalf of the Modaraba 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 Management Company of the modaraba. Our responsibility is to review whether the Statement of Compliance reflects the status of Modaraba'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 Modaraba's and the Management Company's personnel and review of various documents prepared by the Management 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 Management Company's corporate governance procedures and risks.

The Regulations require the Management 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 Management Company's compliance, for and on behalf of the Modaraba, in all material respects, with the requirements contained in the Regulations as applicable to Modaraba for the year ended 30 June 2025.

KPMG Taseer Hadi & Co.
Chartered Accountants
Karachi
Dated: 30 September 2025
UDIN:CR202510096zMXd41S8J

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 OLP SERVICES PAKISTAN (PRIVATE) LIMITED

Year ended June 30, 2025

This statement is being presented to comply with the Listed Companies (Code of Corporate Governance) Regulations 2019 (the Code). Regardless of the fact that OLP Services Pakistan (Private) Limited, the Management Company of OLP Modaraba (OLPM) (the Modaraba), is a private limited company, the Board of Directors of the Management Company are pleased to confirm that the Code is being complied with in all material respects (pertaining to the operations of the Modaraba).

The Management Company has complied with the requirements of the Regulations in the following manner:-

1. The total number of directors are 07 as per the following,

   a. Male: 06
   b. Female: 01

2. The composition of the Board is as follows:

Category	Names
Independent Director	Mr. Naveed Kamran Baloch
	Mr. Nausherwan Adil
	Ms. Naila Hasan
Non-Executive Director	Mr. Ramon Alfrey
	Mian Faysal Riaz
	Mr. Nadim D. Khan
Executive Director	Mr. Raheel Qamar Ahmad
Female Director	Ms. Naila Hasan

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;

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

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

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board the of Management Company/ certificate holders of the Modaraba (where applicable) as empowered by the relevant provisions of the Act and these Regulations;

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

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

9. All Directors have completed their director's training under the director's training programme.

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

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

12. The Board has formed following committees comprising of members named below:-

a) Audit Committee

1). Mr. Nausherwan Adil- Chairman
2). Mr. Ramon Alfrey- Member
3). Mian Faysal Riaz- Member

b) Human Resource and Remuneration Committee

1). Ms. Naila Hasan – Chairperson
2). Mr. Ramon Alfrey- Member
3). Mr. Raheel Qamar Ahmad - Member

C) Risk Committee

1). Mian Faysal Riaz - Chairman
2). Mr. Nausherwan Adil- Member
3). Mr. Raheel Qamar Ahmad- Member
4) Mr. Ramon Alfrey- Member

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

14. The frequency of meetings (quarterly/ half yearly/ yearly) of the committee were as per following,-

Audit Committee	Quarterly
Risk Committee	Yearly
Human Resource and Remuneration Committee	Yearly

15. The Board has set up an effective internal audit function consisting of a suitably qualified and experienced team which is conversant with the policies and procedures of the Company;

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

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

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

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

S.No.	Requirement	Explanation for not meeting non-mandatory requirement	Regulation No.
1	In order to effectively discharge its sustainability related duties, the board may establish a dedicated sustainability committee having at least one female director or assign additional responsibilities to an existing board committee.	The SECP introduced Regulation 10A on June 12, 2024. The Board currently oversees the Company's Environmental, Social, and Governance (ESG) initiatives, and management is reviewing the amendments.	10A(5)
2	The Board may constitute a separate committee, designated as the nomination committee of such number and class of directors, as it may deem appropriate in its circumstances.	The functions of the Nomination Committee are being performed by the HR & Remuneration Committee. Therefore, separate committee for Nomination is not required.	29(1)
3	The Company may post the Significant policies on its website.	The Company remains committed to transparency and good governance. While the decision to publish additional policies online will be considered in line with internal protocols, stakeholder relevance, and strategic priorities, it is important to note that the Code of Conduct has already been made publicly available on the Company's website. All other significant policies are appropriately documented and accessible to relevant stakeholders through established internal channels.	35

Naveed Kamran Baloch
Chairman

Dated: September 25, 2025

REPORT OF THE BOARD AUDIT COMMITTEE

Chairman's Introduction

On behalf of the Board Audit Committee, I am pleased to present the Audit Committee's report. This report outlines the activities and findings of the Audit Committee of OLP Modaraba for the financial year ended June 30, 2025. The Audit Committee is committed to upholding the highest standards of corporate governance, financial integrity, and Shariah compliance, ensuring that the Modaraba operates effectively and ethically in accordance with Islamic financial principles and relevant regulatory frameworks in Pakistan.

The Audit Committee is responsible for monitoring the integrity of the OLPM's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the compliance, internal control, and risk management systems, and overseeing the relationship with the external auditors (including advising on their appointment, agreeing audit fees, and reviewing the audit findings). The Committee also reviews the provision of any non-audit services by the external statutory auditor.

Throughout the year, the Audit Committee has regularly reviewed and complied with regulations issued by Securities and Exchange Commission of Pakistan (SECP) and other regulatory bodies. In doing so, the Committee has focused its review across a broad range of areas. These include:

- Review of Expected credit loss allowance under IFRS-9 Model in respect of provisioning against financing;
- Compliance with all relevant regulatory statutes including but not limited to The Modaraba Regulations 2021 and The Shariah Governance Regulations, 2023;
- Regular updates on the OLPM finances and business portfolio including updates on repayments by clients including those highlighted by External Auditors in their covering letter;
- Review of significant changes in KIBOR rates and its impact on overall financial statements of the Modaraba;

- Review of provision of income tax on income of modaraba for the year;
- Update on the measures taken by the business to safeguard employee and client welfare;
- Review of internal audit reports on the effectiveness of the overall internal control environment issued by Internal Audit Department as per approved audit plan; and
- Review of all other key judgements and estimates applied by management in preparing the financial statements. The Committee also enquires as to the appropriateness of these judgements considering the principal risks, the wider economic conditions in which the business operates and the need to ensure the financial statements are fair, balanced, and understandable.

We have also discussed the key matters as identified by the external auditor, KPMG Taseer Hadi & Co., Chartered Accountants in relation to annual audit of OLPM for the year ended June 30, 2025 in accordance with the requirement of SECP Listed Companies (Code of corporate governance) Regulations, 2019.

Nausherwan Adil
Chairman of the Audit Committee
September 24, 2025

Membership and meetings
During the year, the Committee comprised of the following independent and non-executive directors:

Committee Members

Nausherwan Adil	Chairman
Ramon Alfrey	Member
Mian Faysal Riaz	Member

The Committee members meeting attendance table is shown on page 76 of the OLPM Annual Report 2025.

The Committee's wide range of financial and commercial skills and experience serves to provide the necessary knowledge and ability to work as an effective committee and to robustly challenge the Board and senior management as and when appropriate. Mr. Ramon Alfrey, member Board Audit Committee, a Chartered Accountant, possesses recent and relevant financial experience and the Committee continues to have competence relevant to the sector.

Further details of the directors' skills, experience and qualifications can be found in the biographies on pages 36 to 39 of the OLPM Annual Report 2025.

Audit Committee and Attendance
Throughout the year, the Committee convened five scheduled meetings. The Chairman and all members attended every session. The Committee maintains regular communication with the Head of Internal Audit and meets with the External Auditor as necessary, with a minimum of one annual meeting. The Executive Director is also regularly invited to attend Committee meetings. This engagement is intended to reinforce a strong culture of risk management and to keep the Committee informed about key business decisions and actions taken by management in overseeing the Modaraba's day-to-day affairs.

Role of the Committee
The Committee focuses on ensuring the integrity of the financial reporting and audit processes and the maintenance of sound internal control systems in order to safeguard certificate holder interests. It focuses on monitoring and/ or reviewing the following:

- Financial reporting – this area of responsibility includes monitoring the integrity and compliance of the Modaraba's financial statements and any formal announcements or publications relating to the Modaraba's financial performance as well as reviewing significant financial reporting issues and judgements made in connection with them.

- Compliance – this area includes reviewing the Modaraba's compliance policies and procedures to ensure that it complies with all relevant regulatory and legal requirements including the arrangements in place for the reporting and investigation of concerns identified.

- Internal audit – This domain encompasses the oversight of the Internal Audit function's role and efficacy, which includes the approval of the annual internal audit work plan aligned with the three-year audit plan sanctioned by the Committee in the previous year. Additionally, it involves monitoring the reports generated from internal audits and tracking the progress of actions taken in response, as well as the appointment or removal of the Head of Internal Audit.

- Whistleblowing – reviewing arrangements by which staff may in confidence raise concerns about possible improprieties regarding financial reporting and other matters.

- Internal controls – this area includes reviewing the effectiveness of the Modaraba's system of internal controls and ensuring timely action is taken by management to address matters arising from the risk and internal audit assessments.

- External audit – this area includes considering and making recommendations to the Board on the appointment of the external auditors (including approving the remuneration and terms of appointment) as well as reviewing the external auditors' annual audit report and the results therefrom, reviewing the quality and effectiveness of the audit and reviewing and confirming the policy on non-audit services carried out by the external auditors and auditor independence.

Committee activities during 2024/25:

Review of financial statements
The Committee reviewed the financial statements and assessed whether suitable accounting policies have been adopted and whether management has made appropriate estimates and judgements. The Committee monitored provision of income tax on income of the modaraba for the year ended June 30, 2025 and considered the appropriateness of the provision against finances provided in the financial statements in accordance with the requirement of IFRS-9 and the Modaraba Regulations 2021.

The Audit Committee also recognized the importance of the views of the external auditor in respect of robust challenges and audit procedures performed by them in relation to key matters during the course of the audit. There were no differences between management and the external auditors which were reported to the Committee.

Having reviewed management's papers and considered the procedures and findings of the external auditor, the Committee is satisfied that the judgements are reasonable, and that suitable accounting policies have been adopted and disclosed in the accounts.

Fair, balanced, and understandable
In order to confirm to the Board that the Annual Accounts, taken as whole is fair, balanced, and understandable, there has been a thorough verification and approval process, as outlined below:

- OPLM Annual Report and Accounts for the year ended June 30, 2025 are drafted by the appropriate senior management with overall coordination by the Secretariat/ Finance team to ensure consistency;

- comprehensive reviews of the drafts Accounts are undertaken by management and the Audit Committee; and

- formal recommendation of Annual Accounts is given by Audit Committee for approval by the Board.

Following areas continued to remain significant throughout the year, therefore, were properly discussed and addressed with our external auditor throughout the external audit process. The key matters of focus were:

1. IFRS-9 – Financial Instruments;
2. Accounting adjustment related to Credit Impaired loans and front-end fee;
3. Outstanding exposure against selected clients; and
4. Provision of taxation for the year.

The Committee concluded that the Financial Statements, taken as whole, were fair, balanced, and understandable and provided the information necessary for stakeholders to assess the OLPM's business model, strategy, and performance. The Committee has continued its monitoring of the financial reporting process and its integrity, risk management systems and Assurance.

Internal audit

The Audit Committee monitored and reviewed the scope, extent, and effectiveness of OLPM's internal audit function. Regular presentations and updates were given to the Committee by the Head of Internal Audit. The Committee has approved the internal audit terms of reference, which sets out the role, accountability, authority, independence, and objectivity of the function.

Internal Control Review

The effectiveness of the internal control environment, encompassing financial, operational, and compliance controls, was assessed. Reports from the Internal Audit department were reviewed, with a focus on key audit areas and identified control deficiencies. Management's actions in response to internal audit findings were verified as timely and adequate.

The Internal Audit function provides independent assurance by reviewing risk management processes and the internal controls established by management. The Committee reviews issues raised in audit reports, assessing the adequacy of management's responses and the timeliness of their resolution.

Key focus areas for internal audit during the year included reviewing business operations and associated back-office controls to mitigate risks specific to the OLPM business. Additionally, Internal Audit examined processes supporting OLPM's compliance and operational risk, including Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT), and adherence to the overall Operational Risk Framework.

During the reporting year, the Electronic Credit Information Bureau (ECIB) reporting mechanism was thoroughly reviewed and updated. This initiative was undertaken to ensure complete alignment with the latest guidelines set forth by the State Bank of Pakistan (SBP). Furthermore, compliance with these updated guidelines is actively monitored and validated through the half annual audits conducted by internal audit team, ensuring the integrity and accuracy of our reporting processes.

The scope of activity of internal audit is monitored and reviewed at each Audit Committee meeting. An annual plan was agreed by the Committee in Sep 2024 which covered the activities to be performed till Sep 2025. The internal audit plan is determined based on the Audit Universe which sets out all auditable areas of the business and assigns each area a risk level and recommended audit frequency. The internal audit plan is aligned to the OLPMs principal risks.

Areas highlighted for audit on the current plan include a greater focus on operational risks in areas of compliance with the requirement of the Shariah Governance Regulation 2023, The Modaraba Regulations 2021, Anti-Money Laundering and Countering Financing of Terrorism including compliance with the requirements of SECP (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2020, and amendments to SECP AML/CFT Regulations 2020 dated 21st September 2023.

The overall approach remains the same and the underlying audit methodology and processes are unchanged, with audits fully compliant with best practice and internal audit standards. The Committee is thus satisfied that the internal audit function has continued to perform effectively during the year.

Risk Management

- Oversaw the Modaraba's risk management framework and ensured its effective implementation across all business operations.

- Evaluated key risk categories—including credit, market, operational, liquidity, and Sharia-related risks—and reviewed corresponding mitigation strategies.

Shariah Compliance and Audit

- Ensured that all operations, transactions, and financial reporting adhered strictly to Sharia principles as guided by the OLPM Shariah Advisor from time to time throughout the year.

- Reviewed reports from the Shariah Advisor and Internal Shariah Audit function, addressing any compliance issues identified.

- For the year ended June 30, 2025, Grant Thornton Anjum Rahman Chartered Accountants performed OLPM's Shariah audit. Grant Thornton affirmed its independence and objectivity, a declaration that the Audit Committee has assessed and concurs with, taking into account the auditor's overall relationship

- Monitored the continuous Shariah compliance training for relevant staff.

Regulatory Compliance

Ensured compliance with directives and regulations issued by the State Bank of Pakistan (SBP), the Securities and Exchange Commission of Pakistan (SECP), and other relevant authorities.

Reviewed compliance reports and addressed any non-compliance issues.

Findings and Observations

The Audit Committee is pleased to report that for the financial year 2024-2025, the financial reporting process has been robust. The internal control systems are considered adequate and effective, though continuous improvement remains a focus. The Modaraba has maintained strong adherence to Sharia principles and met its regulatory obligations. Management has been proactive in addressing issues raised by the committee and auditors, and notably, some control weakness in the payment process have been identified and mitigated, with the related risks managed well.

Delegation by the Board

External auditor appointment and rendering

The Committee concluded that KPMG Taseer Hadi & Co. Chartered Accountants possess the appropriate qualifications and expertise and maintained their independence from the OLP group during the audit for the year ended June 30, 2025. As they have now completed one year of tenure as the external auditor for OLP Modaraba, and in compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Committee recommends to the Board that KPMG Taseer Hadi & Co. Chartered Accountants be appointed as the Modaraba's auditors for the year ending June 30, 2026.

The Audit Committee, in its oversight role, has overseen the process for the appointment of the External Shariah Auditor for the year ended June 30, 2025. In compliance with the Shariah Governance Regulation 2023, Grant Thornton Anjum Rahman Chartered Accountants has been appointed as the External Shariah Auditor. This appointed firm possesses the requisite expertise and independence to audit our Shariah compliance mechanisms.

a. Independence and objectivity

KPMG Taseer Hadi & Co. Chartered Accountants conducted its first audit of OLPM's financial statements for the year ended June 30, 2025. Mr. Amyn Malik concluded this year's annual audit on the behalf of KPMG Taseer Hadi & Co. Chartered Accountants.

KPMG Taseer Hadi & Co. Chartered Accountants has reported to the Committee that, in its professional judgement, it is independent within the meaning of regulatory and professional requirements and the objectivity of the audit engagement partner and audit staff is not impaired.

The Audit Committee has assessed the independence of the auditor, and concurs with this statement. When assessing the independence of the auditor, the Committee considers, amongst other things, the length of tenure of the audit firm and the audit partner, the value of non-audit fees provided by the external auditor and the relationship with the auditor as a whole.

Non-audit work carried out by the external auditor

In order to ensure the continued independence and objectivity of the OLPM's external auditor, the Committee reviews audit and non-audit fees once a year. The Committee's approval is also required in advance for the provision of any non-audit services by the external auditor. The OLPM'S external auditor is prohibited from providing any services that would conflict with their statutory responsibilities or which would otherwise compromise their objectivity or independence.

Further details on audit fee and non-audit fees are provided in Note 24.4 to the financial statements.

Effectiveness and reappointment

It is the Committee's responsibility to assess the effectiveness of the external audit.

The Committee kept under review the effectiveness of the external audit throughout the year. It did this through:

- Considering the areas in which KPMG Taseer Hadi & Co. Chartered Accountants had challenged management's assumptions in key areas of judgement and the number and nature of the accounting and control observations raised by the auditor;
- the high level of engagement from the audit partner throughout the audit process;
- the use of sophisticated technology to support the conduct of the audit;
- the level and quality of challenge received from the External auditor;
- a good knowledge of accounting standards, governance requirements and the infrastructure market;
- the robust and perceptive handling of the key accounting and audit judgements;
- the support received by the External auditor from the External auditor's technical team;
- the continuity of the audit team was predominantly retained from the previous year; and
- the final report was presented based on a good understanding of the Modaraba's business.

Based on these reviews, the Committee concluded that KPMG Taseer Hadi & Co. Chartered Accountants had applied appropriately robust challenge and skepticism throughout the audit, that it possessed the skills and experience required to fulfil its duties effectively and efficiently, and that the audit was effective.

Having reviewed the incoming auditor's independence and the effectiveness of its audit, the Committee has recommended that KPMG be appointed as external auditor for the year ending June 30, 2026.

Whistleblowing

The Modaraba has established comprehensive whistleblowing procedures designed to enable employees, clients, and other third parties to confidentially raise concerns about potential improprieties. These concerns can be reported via telephone or through an independently managed online service. A dedicated email address for submissions is: speakup.bac@olpmodaraba.com. During the year, the Committee received updates on any reported issues at each of its meetings.

Other matters
Other matters reviewed by the Committee during the year were:

- Transactions with Related Parties and recommendation to the Board of Directors for its approval;
- The Modaraba's Shariah compliance with its regulatory requirements with particular focus on the review of Shariah Advisor annual report, Shariah Internal Audit reports and Shariah external Audit (GT) report;

- Preliminary announcements of results for the year end and all quarterly results prior to communication to Pakistan Stock Exchange and publication of Announcement on OLPM website. The Committee reported to the Board on how it has discharged its responsibilities and the key matters arising at each meeting. All recommendations were accepted by the Board;

Future Outlook
The Audit Committee will continue its diligent oversight in the upcoming year, focusing on further strengthening internal controls, enhancing risk management capabilities, and ensuring unwavering commitment to Sharia compliance and stakeholder interests.

Conclusion
The Audit Committee concludes that the financial statements for the year ended June 30, 2025 present a true and fair view of the financial position of the Modaraba, in conformity with Islamic Sharia principles and applicable laws and regulations. The committee expresses its confidence in the Modaraba's governance structure and financial management.

I would like to thank the management team at OLPM and all Committee members for their valuable contribution and support to the audit committee throughout the year.

GOVERNANCE

The Board

The Board as a whole continues to take ownership of effective leadership and the long-term success of the Modaraba. The management and governance framework, which the Board has implemented to support the Modaraba's long-term growth objectives, is set out on page 00. The diverse range of skills and leadership experience offered by the Non-Executive Directors means that they are well qualified to scrutinize performance, assess the Modaraba's risk management and control processes, provide constructive challenge and to support the Chief Executive. Details for each of the Directors together with their Board responsibilities are set out on page 77.

The Board has four (04) scheduled meetings during the year; additional meetings are arranged, if required. The Board committee meetings are scheduled around the regular Board meetings.

Composition of the Board

Category	Number
Independent Directors	03
Executive Director	01
Non-Executive Directors	03
Female Director	01

The independent Directors have provided the annual declaration of their independence as required by Listed Companies (Code of Corporate Governance) Regulations, 2019. The declaration states that:

1). They are not serving as a director on more than seven listed companies.

2). They does not hold any interest in the certificates/ shares of OLP Modaraba other than that disclosed in the pattern of shareholding

3). Neither they nor any of their spouse I minor children have not (sold, bought or transacted), whether directly or indirectly, in certificates of OLP Modaraba.

4). They have not, directly or indirectly, dealt in the certificates of the Modaraba in any manner during the closed period.

5). They have not defaulted in payment of any loan to a banking company, a DFI or a NBFI. Further, They are not a broker of a stock exchange.

Decision taken by Board or delegated to management

Directors are required to attend each Board meeting and meetings of any Committee of which they are a member. In addition, members of the management team and the External Auditors may, by invitation, attend meetings to address specific agenda items. There is a formal schedule of matters reserved for the Board, which is reviewed regularly to ensure that it remains current. Matters reserved for the Board include the items summarized below:

- The Board is responsible for exercising its powers with diligence and responsibility, following careful deliberation as dictated by the Companies Act 2017, Listed Companies (Code of Corporate Governance) 2019 and Company Articles of Association.
- overseeing and evaluating governance practices;
- guiding and supervising the Modaraba's strategic direction;
- deciding upon appointments, dismissals, salaries, contract renewals for key management roles;
- review of terms of references for and membership of the Board committees;

- reviewing recommendations made by Board committees;
- issues flagged by Chief Executive Officer may be brought before board or its sub-committees;
- investments in new ventures;
- establishing internal control frameworks that promote effective risk management strategies as well as mechanisms addressing ethical matters, affirmation of risk management strategies and risk appetite;
- to approve business plans including cash flow forecasts and strategic plans;
- approval of financial statements including dividends using inputs provided through audit observations regarding the overall control environment
- assessing reports from internal audits together with reviews of external auditors' letters and responsible for managing related party transactions;

Matter Delegated to the Management

The Board and management have predefined, explicit roles. CEO is responsible for conducting routine business operations in a compliant, ethical manner.

The Board has greenlit a range of objectives and plans, which include annual benchmarks for output, revenue generation, expenditure management and financial gains. Additionally, the Board aims to explore fresh business avenues while maintaining adherence with legal stipulations and regulatory demands.

It is the duty of management to identify and manage critical risks, take advantage of opportunities, maintain internal controls, and prepare financial statements that adhere to approved accounting standards. This must be done in accordance with applicable regulations such as Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), the Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations and Companies Act 2017 and other rules determined by Securities and Exchange Commission of Pakistan.

Governance practice addition to Legal requirements:

In addition to the compliance with listed companies Code of corporate governance, the Modaraba has developed various committees such as Customer Experience Forum, Principals Committee, Country Operation Risk Committee- CORC and Portfolio Management Committee - PMC. The objective of these committees are as follows:

Customer Experience Forum:

To analyze, discuss and find solutions to issues that might impact, or have impacted, the client during the Client Life Cycle.

Principals Committee

A select group of leaders who analyze effects of all decision making across the Modaraba.

Country Operation Risk Committee- CORC

To ensure the effective management of Operational Risk throughout OLPM in support of entity's strategy and in accordance with the Risk Management Framework and related Operational Risk Policies and Procedures.

Portfolio Management Committee - PMC

To manage and direct as appropriate the management of the credit portfolio in OLPM to ensure that systems and controls are in place and operating effectively such that earnings from the portfolio meet expectations.

Board performance Evaluation:

The Board of Directors sets the Modaraba's strategic direction and ensures that the organization stays true to this direction - enabling it to achieve its long-term objectives while ensuring regulatory compliance. To discharge its fiduciary responsibility of safeguarding the stakeholders' interests, and to remain compliant with all the requirements set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to the composition, procedures and meetings of the Board of Directors and its committees, the Board of Directors has developed criteria for its performance evaluation which reflect the Modaraba's overall performance.

The Board of Directors discusses strategic objectives, budgetary expenses and projected national and international macroeconomic indicators to ensure that the Modaraba's business strategy stays aligned with the macroeconomic indicators. The Board of Directors and its sub-committees are competent and experienced, representing diversified educational and vocational backgrounds which are invaluable in determining the overall direction of the organization.

The Board of Directors is keen to ensure that it reviews the effectiveness of its performance periodically. To that end, all individual Board members answer a comprehensive questionnaire focused on evaluating, from various angles, whether the Board has discharged its duties diligently and with foresight. Company secretary is designated to collate individual responses and present them to the Board for deliberation and discussion.

This exercise in critical self-assessment allows the Board to evaluate its performance and overall effectiveness in setting strategies, devising control processes, reading market trends by monitoring micro and macroeconomic factors, and responding to adverse unforeseen situations to further the cause of a learning organization. This process also ensures that the Board is constantly growing intellectually and the responsibility of steering the Modaraba to new heights of success is discharged effectively and efficiently.

Details of formal orientation courses for directors.

Directors are provided with a comprehensive information pack on joining the Modaraba and are advised of their legal and other duties and obligations as a director of a listed company. Induction Pack provide detailed information on operations and activities of the Modaraba, the role of the Board and the Modaraba's corporate governance procedures. The Directors are also encouraged to update their skills and knowledge regularly, including in relation to environmental, sustainability and governance matters, and where necessary, the Company Secretary is notified by Directors of their requirements in this respect. In pursuit of best practice, the Board reviews presentations on compliance with governance and regulatory matters.

Directors' Training Program (DTP)

All Directors of the Modaraba has acquired the prescribed certification under the Director training program offered by Pakistan Institute of Corporate Governance and Institute of Chartered Accountants Pakistan.

Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.

We have four different kind of audits in a year. Internal audit, external audit (KPMG), Internal Shariah Audit and External Shariah Audit.

Related Party Transactions:

The Board of Directors have approved a Policy for Related Party Transactions, which require that the Modaraba Shall carry out transactions with its related parties on an arm's length basis in the normal course of business. The Term 'arm's length' entails conducting business on the same terms and conditions as the business between two Unrelated / un-concerned persons. The policy specifies that all transactions entered into with related parties shall require Board's approval on the recommendation of the Board's Audit Committee, which is presided by an independent director of the Modaraba.

The Modaraba has made detailed disclosures about related party transactions in its financial statements annexed with this annual report. Such disclosure is in line with the requirements of the 4th Schedule to the Companies Act, 2017 and applicable International Financial Reporting Standards. Further, The Modaraba also maintains a full record of all such transactions, along with the terms and conditions. Refer note 35 of Financial for details.

Diversity

The Board of Directors of OLP Modaraba continues to have a firm commitment to policies promoting diversity, equal Opportunities and talent development at every level throughout the Modaraba, including at Board and management level and is constantly seeking to attract and recruit highly qualified candidates for all positions in its business. We believes that diversity at the Board level acts as a key driver of Board effectiveness, helps to ensure that the Modaraba can achieve its overall business goals. The Board of Directors also firmly believes that the diverse mix of gender, knowledge, expertise and skill sets of the members enhances the effectiveness of the Board.

In this regard, OLPM's Board ensures that a diverse mix of directors are elected on the Board, which represent the interests of all stakeholders. The Board composition met the minimum requirement of the applicable laws. The Board have an n adequate female representation The Board have such directors who bring along with themselves diverse skill sets pertaining to Islamic financial matters, legal and human resources etc.

Disclosure of director's interest in significant contracts and arrangements.

In order to avoid any known or perceived conflict of interest, formal disclosure of vested interests is encouraged under the Code of Business Ethics and the Policy for Conflict of Interest relating to Board of Directors, approved by the Board. The Code and the Policy comprises of not only the principles provided under the regulatory requirements but encompasses global best practices as well. The board members are responsible for appropriate self-disclosure in a transparent manner and in the case of doubtful situation, are advised to discuss it with the chair of the meeting for guidance. Board members' suggestions and comments during their proceedings are accordingly recorded for evaluation, in addition to description and quantification of any foreseen conflict of interest prior to finalization of the proceedings' agenda.

Policy for Remuneration to Non-Executive Directors:

The Board of Directors has approved a 'Remuneration Policy for Directors'; the salient features of which are:

- The Modaraba will not pay any remuneration to its nonexecutive directors except as meeting fee for attending the Board and its Committee meetings as approved by the Board.

- The Modaraba will not pay any remuneration to the Chief Executive and other Directors for attending the meeting, who work whole time on remuneration for the company.

- The Remuneration of an Independent Director for performing additional responsibilities shall be determined by the Board.

Foreign Directors

The Modaraba as a matter of policy has a practice that a person qualifying the Fit & Proper criteria of SECP shall be appointed as director of Modaraba. Moreover in case of appointment of any foreign director, the appointment is based on the clearance from Ministry of Interior of Pakistan.

Board meetings held outside Pakistan

During the year 06 Board meetings were held and no meeting was held outside the Country.

Human Resource Management Policies

HR management policies are essential for sustaining viable businesses. HR policies assist organizations in establishing & maintaining consistent practices in the workplace, it is the way of communication with employees and managers in regard of desired performance and behaviour. OLPM have the following HR management policies;

- Day Care Policy
- Education Assistance Policy
- Employee Discipline Policy
- Employee Equal Opportunities, Diversity & Dignity at Work Policy
- Employee Grievance Policy
- Employee Responsibility Policy
- Hospitalization & Life Takaful Policy
- Leave Policy
- Local Relocation Policy
- Management Responsibility Policy

- Performance Management and Promotion Policy
- Reward Policy
- Sexual Harassment Policy
- Speak Up Policy
- Spot Award Policy
- Staff Finance Policy

Succession Plan

Succession planning ensures smooth replacement of critical positions at management and technical level in OLP Modaraba OLPM. The purpose of succession planning is to identify and prepare candidates to take over key positions at all levels that becomes vacant due to resignation, retirement or death of an employee. OLPM conduct succession planning meeting every year for critical resources where as for non critical resources meeting is held once in three years. This helps in Identifying successors for all roles. In this way, it provides continuity to leadership and can avoid extended and costly vacancies for key position. Sourcing of successors is first performed within OLPM and in the event no potential candidate is available an external recruitment effort is conducted. Successors which are identified in the session is equipped with all necessary trainings and assignments to make him/ her to take over the role.

Social and environmental responsibility

The OLP Modaraba has formulated an efficient policy for Social and Environmental responsibilities which lays down the Modaraba 's commitment towards creating a more equitable and inclusive society by supporting processes which lead to sustainable transformation and social integration. Our primary focus of social responsibility is to craft business policies that are ethical, equitable, environmentally conscious, gender sensitive and also takes care of the differently-abled. The Modaraba ensures that all social and environmental dimensions are considered when developing its strategies, policies, practices and procedures. for details of social and environmental initiative taken by Modaraba refer the section.

Communication with stakeholders.

OLP Modaraba is fully committed to develop effective working relationships with all our stakeholders. Throughout all its business dealings, The Modaraba has provided stakeholders with opportunities to provide meaningful input into management decision-making. The Modaraba endeavours to provide full and fair disclosure of all material information to its stakeholders besides providing a wide range of information about strategy and financial information through its Annual Report and website for all stakeholders.

Investor Grievance Handling

At OLP Modaraba we value our relationships the most and believe in nurturing the bonds formed at all levels. We have earned the trust of our investors and are fully committed to sustain it. The Board is committed to ensure that we continue to engage effectively with our investors. The potential investors and certificate holders of OLPM have full access to obtain information relating to Modaraba's operations in addition to the queries raised specifically relating to their investment, dividend distribution and circulation of statutory notices and reports. The Modaraba endeavours for prompt resolution of the queries and provision of required information in accordance with provisions of the law.

Employee health, safety and protection

OLPM has always taken necessary precautions to ensure health and safety of its staff and to offer sustained and persistent services to our customers with a safe environment. In this regard, each year the Modaraba took various initiative relating to employee health i.e. Medical Camp, Health and life insurance policy for all employee etc. For detail refer sustainability section of the report.

Speakup policy including mechanism to receive and handle complains in a fair and transparent manner and providing protection to the complainant against victimization and reporting in Audit Committee's report

In view of our commitment to create an atmosphere where people can freely communicate their concerns or raise an alert against possibility of occupational fraud, non-compliance with Modaraba's policies, Code of Conduct and regulatory framework, an effective Whistle Blowing Mechanism has been implemented. This policy is designed to enable all officers and employees of the Modaraba to raise complaints at designated platform. The Modaraba is committed to achieving and maintaining the highest standards of openness, integrity, ethical values and accountability. Hence it expects all of its employees to do the same. In the interest of the Modaraba, it is the responsibility of every employee to ensure that any inappropriate event does not occur and if occurred, the same is reported at relevant forum in the Modaraba.

All those who come in the ambit of Speakup Policy are encouraged to participate without fear of reprisal or repercussions, in confidentiality, under defined reporting channels. Such communications are investigated independently and reported at the highest level.

An inappropriate event could be any behaviour, action or incident that compromises the interests of shareholders, investors, client or any other stakeholder. It is also mission-critical to maintain a good corporate image, thus raising standards of corporate governance.

Safety of records of the Modaraba

The Modaraba encourage paperless environment and documents are archived electronically to safeguard the records as well optimizing storage spaces. However, the Modaraba has also established process for safety of records extends beyond the regulatory requirements and the Modaraba makes a conscious effort for the safety of all its records. The records include books of accounts, documentation pertaining to secretarial, legal, contractual, taxation and other matters. The process for Safety of Records consists of the following points:

1). To ensure and maintain digital back-up of all the relevant Legal, Administrative, Operational and other documents, intellectual property and records.

2). Maintenance of a fire-proof vault for the safekeeping of legal documents and conduct trainings to deal with fire hazards.

3). Real-time back up of data at on and off-site locations.

Board review statement of the organization's business continuity plan or disaster recovery plan

The Board of Directors ensures that the Modaraba has an updated Business Continuity and Disaster Recovery plan In place for the continuity of Modaraba's business and operations in case of any extra ordinary circumstances. The Comprehensive plan is designed to ensure the protection of overall company's operations and assets along with Regular archival and system-backups at remote sites. The Board has ensured that management has put in place adequate systems of IT Security, real-time data backup, off-site storage of data backup, establishment of disaster recovery facility (alternate Data Centre) and identification of critical persons for disaster recovery. It has also ensured that the disaster recovery plan is regularly tested to ensure the readiness of the IT systems in case of any disaster.

Statement on the Management's responsibility towards the preparation and presentation of the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Approved Accounting Standards as applicable in Pakistan which include keeping proper books of account of the Modaraba as required by Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981. The balance sheet, profit and loss account and the statement of comprehensive income together with the notes thereon of the Modaraba have been drawn up in conformity with the requirements of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981.

Disclosure of Board's Policy on Governance of risk and internal controls

OLP Modaraba's risk management framework is designed to assess and mitigate risks in order to minimize their potential impact and support the achievement of Modaraba's long term purpose and business strategy. Risk assessment is performed regularly to create a good understanding of the Modaraba's key risks, to allocate ownership to drive specific actions around them and take any relevant steps to address them. Due to their critical importance, our material issues and principal risks are integrated into our business planning processes and monitored on a regular basis by our Board of Directors. Strategic, Operational, Financial and Compliance risks are ranked based on their impact on Modaraba and probability of occurrence. Upon identification of risks, mitigating strategies and action plans are developed, implemented and monitored.

Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).

Living up to its standard, the Board of Directors has throughout the financial year 2024-25, complied with the requirements for Code of Corporate Governance, the listing regulations of the Pakistan Stock Exchange and the requirements for Financial Reporting framework of Securities & Exchange Commission of Pakistan (SECP). Report of the Board's Audit Committee on adherence to the Code of Corporate Governance, statement of compliance with the Code of Corporate Governance by the Chief Executive Officer of the Company, besides review report by the Modaraba's Auditors are included in this Report.

Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee's activities / matters that are within the scope of the Audit Committee's responsibilities.

In the Annual Review Meeting for the financial year ended June 30, 2024, The Chairman of Board Audit Committee attended the meeting wherein he was available to answer any question pertaining to the Board Audit Committee's activities.

GENDER PAY GAP STATEMENT

OLP MODARABA

Gender Pay Gap statement under Securities and Exchange Commission of Pakistan (SECP) Circular 10 of 2024

Following is gender pay gap calculated for the year ended June 30, 2025:

(i) Mean Gender Pay Gap: 68.68%

(ii) Median Gender Pay Gap: 48.72%

(iii) The above ratios reflect the overall employee gender pay gap across the organization. The modaraba ensures equitable compensation for the female members in their respective role based on experience, qualification and performance.

For and on behalf of the
Board of Directors

Date: September 25, 2025

RAHEEL QAMAR AHMAD
Chief Executive Officer

IT GOVERNANCE AND CYBERSECURITY

The Board responsibility statement on the evaluation and enforcement of legal and regulatory implications of Information risks and the responsibilities of the board in case of any breaches.

OLPM IT governance is based on internal policies that are developed in line with Regulatory requirements and global good practice, with a view to ensuring continuity and sustainability of operations. These are monitored by the IT Steering Committee with periodic updates given to the Board of Directors. The Modaraba has also taken sufficient measures to ensure its network security and has implemented stringent controls to protect its data privacy.

Disclosure related to IT governance and Information Security programs. policies and procedures and industry specific requirements for cybersecurity and Strategy in place.

At OLPM, comprehensive Information & Cyber Security policies and procedures exist. Information security is holistically practiced and the IT strategic plan is revised every three years.

Disclosures about how Information Security fits into the board's risk oversight function and how the board is engaging with management on this issue.

The Board's Audit Committee oversees Information Security as part of its risk management responsibilities, with regular updates from management on key IT risks and mitigation strategies. Investments in cybersecurity, including Next Generation Firewalls, encrypted communications (SSL), endpoint protection, and email security, are reviewed and approved by the Board. Internal and external IT audits are conducted regularly, with findings presented to the Audit Committee to ensure continuous oversight and improvement.

Disclosure regarding the Company's controls and procedures related to its incident response capabilities, which facilitate timely incident detection and prevention, as well as prompt disclosures and communications to the Board concerning Information Security risks and incidents.

The IT Steering Committee, a management level committee, is responsible for overseeing IT governance and cybersecurity matters. It works closely with the audit committee of the board from where it receives guidance on managing IT risk through assessments, monitoring Information Security initiatives, and ensuring alignment with the organization's overall risk management framework.

Disclosure regarding the Company's controls and procedures related to its incident response capabilities, which facilitate timely incident detection and prevention, as well as prompt disclosures and communications to the Board concerning Information Security risks and incidents.

OLPM has established robust controls and procedures to support effective incident response capabilities. This includes continuous monitoring for timely detection of security incidents, defined escalation protocols, and prompt reporting to the Operational Risk Committee which updates the Board Risk Committee. Information Security risks are managed through structured risk assessments, access controls, and user activity monitoring. Regular reviews and updates ensure responsiveness to emerging threats and compliance with regulatory disclosure requirements.

Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks.

OLPM conducts annual independent and comprehensive security assessments of its technology environment, including third-party risks, through statutory IT audits in addition to regular internal audits. These assessments evaluate the effectiveness of existing controls, identify potential vulnerabilities, and ensure preparedness against Information Security threats.

Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or Information breach and details about company's Information insurance.

OLPM has a comprehensive and regularly updated Disaster Recovery (DR) and Business Continuity Plan (BCP) to ensure uninterrupted operations in the event of an IT failure or cyber-attack. The DR plan includes secure data backups, system redundancies, and archival processes at remote sites to safeguard critical systems and information. Regular testing and simulation exercises are conducted to validate the effectiveness and readiness of the recovery protocols. Additionally, OLPM maintains real time redundancy of Information to guard against information or data corruption.

Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (RPA, Block Chain, AI, Cloud Computing etc.) to improve transparency, reporting and governance.

As part of our digital transformation efforts, OLPM has focused on enhancing transparency, reporting, and governance through the adoption of advanced digital platforms and automation tools. These initiatives have improved the accuracy and timeliness of our reporting processes, enabling real-time access to key performance indicators for stakeholders. We continue to strengthen our information security measures to protect sensitive data and uphold the highest standards of data governance. Our commitment to leveraging appropriate technologies ensures ongoing improvements in operational efficiency, accountability, and stakeholder communication. Whilst Robotics and Block Chain are not relevant to our line of business currently, usage of AI and Cloud Computing are areas which will form part of our strategy going forward.

Disclosure about education and training efforts of the Company to mitigate Information risks.

OLPM is committed to fostering a strong cybersecurity culture through comprehensive education and training programs aimed at mitigating information risks. Regular training sessions and awareness campaigns are conducted to equip employees with the knowledge and best practices needed to recognize and respond to potential cyber threats. By promoting ongoing learning and adherence to security policies, OLPM ensures that its workforce remains cognizant, vigilant and proactive in protecting critical assets and stakeholder information in an increasingly digital environment.

SHARIAH MECHANISM

A fundamental requirement of an Islamic financial institution is that its whole business practices and operations are based on Shariah rules and principles. Islamic finance derives its value proposition from the application of Shariah contracts in financial transactions that provide for different risks and return profile. Adherence to Shariah principles under such distinct contract preserves the validity and sanctity of any Islamic financial transactions.

In order to uphold these principles, OLPM has devised a proper mechanism for Shariah Governance. This mainly includes appointment of a Shariah Advisor who reviews and ensure that the business conducted, the transactions carried out and the investment made by OLPM are in accordance with Shariah principles and are in line with its prospectus duly approved by Religious Board of SECP. Moreover, OLPM has developed product program of each of its product offered, which are duly reviewed and signed by the Shariah Advisor. All process flows of products are also approved by the Shariah Advisor. In addition, OLPM has a Shariah Internal Auditor who reviews the transactions on a regular basis to validate OLPM's compliance with Islamic principles.

Shariah Advisor Profile

Mufti Faisal Ahmed is the Shariah advisor of OLP Modaraba. He has experience as a teacher and visiting faculty at different Universities. He is a regular guest speaker on Islamic topics including Riba Free Banking, Zakat, etc. at different fora. In addition to his primary responsibility of being a teacher at Jamiatur-Rasheed since 2003, he is also assigned responsibility of Administration, Consultancy and delivering Fatawa at Shariah Consultancy for trade and finance under supervision of Dar-Ul-Ifta Jamiat-ur-Rasheed.

SHARIAH ADVISOR'S REPORT

I have conducted the Shariah review of OLP Modaraba (Formerly ORIX Modaraba) [managed by OLP Services Pakistan (Private) Limited - Formerly ORIX Services Pakistan (Private) Limited], Modaraba Management Company for the year ended June 30, 2025 in accordance with the requirements set out under the applicable Shariah Governance Regulations, 2023, Shariah Compliance and Shariah Audit Mechanism for Modaraba and report that except the observations as reported hereunder, in my opinion:

Shariah Compliance Opinion

Based on our review, we are of the opinion that:

i. The Modaraba has a mechanism which has strengthened the Shariah compliance, in letter and spirit and the systems, procedures and policies adopted by the Modaraba are in line with the Shariah principles. The senior management and staff are well intentioned and cooperative in observing Shariah compliance in its true spirit.

ii. The transactions, underlying contracts, and the relevant documentation executed during the period are generally in accordance with Shariah principles and rules.

iii. The overall operations and business activities have been conducted in compliance with the guidelines issued by us from time to time, and consistent with recognized Shariah principles.

iv. Any earnings realized from non-compliant sources, to the extent identified and applicable, have been appropriately accounted for and transferred to the charity account in accordance with Shariah requirements.

v. During the year, OLPM arranged inhouse Shariah Compliance Training for its staff across three different offices via video conference call. The purpose of the training was to highlight the Shariah Compliance requirements related to product and services being offered by the OLPM. The target audience was new joiners.

vi. OLPM continues to hold interactive inhouse sessions in which Shariah Advisor provide guidance on Shariah compliance in Modaraba's process flows and other product related documentations to Senior Management Personnel. These initiatives were designed to enhance their understanding of Shariah compliance, fostering a culture of awareness within the organization

vii. OLPM continued to strengthen its relationship with country's Islamic Banks, a vital partner in the financial industry committed to adhering to Islamic principles and values. Our team held consultation sessions with their Shariah advisors of various banks. The purpose of the open discussion was to share knowledge, and the resolution of complex Shariah-related queries. We worked together to find innovative solutions that uphold Islamic ethics while meeting the Banks business objectives.

viii. The agreements entered into by the Modaraba are Shariah compliant and the financing agreements have been executed on the formats as approved by the Religious Board and the related conditions have been met.

ix. To the best of my information and according to the explanations given to me, the business transactions undertaken by the Modaraba and other matters incidental thereto are in conformity with the Shariah requirements as well as the requirements of the Prospectus, Islamic Financial Accounting Standards as applicable in Pakistan and the Shariah governance regulations 2023.

x. Profit sharing ratios conform to the basis and principles of Shari'ah and scheme approved by SECP religious board.

xi. During the period, no earnings were realized from the sources or by means prohibited by Shariah and funds credited to charity account were recovered from the clients as late payments charges and paid to Board approved charitable institutions accordingly.

Recommendation

It is again recommended to convert more OLPM clients to Islamic Insurance i.e. Takaful as soon as possible.

Conclusion:

In my opinion and best of my knowledge and information provided by the Modaraba management with relevant explanation, I am of the view that during the period overall business operations of the Modaraba are Shariah Compliant.

And Allah Taala knows Better & Perfect.

Mufti Faisal Ahmed
Shariah Advisor

Dated: 24,1447 AH / September 16, 2025

SUSTAINABILITY

SUSTAINABILITY

At OLPM, we remain firmly committed to advancing our Environmental, Social, and Governance (ESG) practices. We view Corporate Social Responsibility (CSR) as an extension of our core principles and an unwavering commitment to excellence and quality going well beyond mere legal compliance.

While our aspirations are ambitious, we acknowledge that realizing them requires continued effort and progress.

Our CSR vision is rooted in OLPM's mission to build a sustainable society and enhance corporate value. We integrate CSR into our business operations by creating Shared Value (CSV), delivering products and services that contribute to the United Nations' 17 Sustainable Development Goals (SDGs), aimed at addressing global social challenges.

Beyond our core business, we uphold our social responsibility across seven key areas: organizational governance, human rights, labour practices, environmental stewardship, fair business conduct, client engagement, and community development. These pillars support long-term sustainability and value creation for our shareholders.

Through strategic partnerships with nonprofit organizations, we support education for underprivileged children, expand access to quality healthcare across Pakistan, and promote environmental initiatives. These efforts are integral to OLPM's business strategy and serve as a compass for our sustainable growth.

SUCCESS STORY

Digital Paperless Initiatives

OLP Modaraba actively promotes strategies aimed at reducing carbon emissions and encourages employee participation in these efforts. As part of our commitment to sustainability, we are focused on minimizing paper usage and have set a goal of becoming a carbon-neutral Modaraba in the near future. Transitioning to a paperless work environment not only reinforces our dedication to environmental responsibility but also enhances operational cost-efficiency.

Being a Responsible Organization

OLP Modaraba recognizes its responsibility to operate in a manner that is both sustainable and socially conscious. At the heart of our mission is the creation of a platform that reflects our core values and ethical principles.

CORPORATE SOCIAL RESPONSIBILITY AND COMMUNITY COOPERATION

Our Corporate Social Responsibility (CSR) Strategy serves as a guiding framework, embedding CSR into the foundation of all our business practices. These initiatives are centrally monitored to ensure that OLP Modaraba invests in meaningful causes that enhance both our organizational goodwill and the well-being of the communities we serve.

Our CSR objectives are closely aligned with our operational goals, ensuring positive impact for all stakeholders. Through this commitment, OLP Modaraba strives to be a model of sustainability and responsible corporate citizenship.

Social Welfare Initiatives

OLP Modaraba remains committed to supporting impactful initiatives that promote the social welfare of Pakistan. Our focus is on uplifting underprivileged communities by helping them access essential services such as healthcare, education, and basic necessities—ultimately contributing to a better quality of life.

As part of our Corporate Social Responsibility (CSR) efforts, OLP Modaraba contributed PKR 4 million during the year to support causes aligned with our values. This included a donation to The Patients' Behbud Society at Aga Khan University Hospital (AKUH), which provides critical medical care to children suffering from complex and chronic illnesses. Many of these children come from marginalized backgrounds and rely on such institutions for life-saving treatment and hope.

In addition, our team visited the Family Educational Services Foundation (FESF), a charitable organization dedicated to empowering deaf children and youth through inclusive education and vocational training. The visit provided an opportunity to engage directly with the children, understand their challenges, and witness the transformative impact of FESF's work. It was a meaningful experience that reinforced our commitment to values of empathy, inclusion, and long-term social impact. Through these initiatives, OLP Modaraba continues to invest in sustainable development and community upliftment, guided by our belief in creating shared value for society.

BEACH CLEANING & EMPLOYEE ENGAGEMENT PICNIC

As part of our commitment to employee well-being and environmental stewardship, OLP Modaraba organized a day-long picnic in Karachi filled with engaging activities and meaningful impact. The event featured team-building games such as a friendly cricket match and an energetic tug-of-war, fostering camaraderie and a spirit of collaboration among colleagues.

Beyond the fun and relaxation, our team also took part in a Beach Cleaning activity, contributing to a cleaner coastline and raising awareness about the harmful effects of plastic pollution. This initiative reflected our belief that wellness and responsibility go hand in hand—empowering employees to enjoy their time while making a positive difference for the environment.

COMMUNITY AWARENESS CAMPAIGN AT LRBT

OLP Modaraba organized a Community Awareness Campaign in collaboration with the Layton Rahmatulla Benevolent Trust (LRBT), a leading non-profit organization dedicated to eliminating blindness and providing free, state-of-the-art eye care across Pakistan. LRBT operates a vast network of 20 fully-equipped hospitals and 56 primary eye care and outreach clinics, serving millions with compassion, efficiency, and excellence.

As part of the initiative, volunteer visits were arranged for employees from our Karachi and Lahore offices. The educational excursion offered valuable insights into the scale and impact of LRBT's work, allowing our team to witness firsthand the transformative role of nonprofit healthcare in underserved communities.

In support of LRBT's mission, OLP Modaraba proudly contributed PKR 2 million, reinforcing our commitment to social responsibility and community well-being.

HEALTH & WELLNESS

Medical Camp & Blood Donation Drive

OLP Modaraba, in collaboration with Chughtai Lab and Indus Hospital, organized a Medical Camp at its office premises as part of its employee wellness initiative. The camp offered complimentary basic health screenings, discounted rates on additional medical tests, and free consultations with General Physicians—ensuring accessible healthcare support for our team in a convenient and caring environment.

GOOD HEALTH & WELL-BEING

Wellness Week 2024-25

OLP Modaraba celebrated Wellness Week 2025 across all offices with a series of thoughtfully curated activities aimed at enhancing employee well-being, promoting mindfulness, and fostering a culture of appreciation and sustainability. The week-long initiative was designed to encourage healthier habits, emotional resilience, and team engagement through daily themed events:

- Gratitude Monday: Employees were encouraged to share digital appreciation e-cards with colleagues as a gesture of gratitude. A customized Wellness Week wallpaper was designed by the IT team and applied across all employee desktops to create a unified and uplifting atmosphere.

- Mindfulness Tuesday: A guided session focused on mental health awareness and emotional well-being was conducted by Ms. Asma Farooque, Manager – Employee Finance. The session featured breathing exercises and meditation techniques aimed at reducing stress and enhancing emotional resilience.

- Detox Wednesday: Employees were encouraged to adopt healthy eating habits and consume detox water to support internal cleansing and overall wellness.

- Potluck Thursday: A food exchange activity was organized to celebrate cultural diversity among employees. Everyone participated by bringing a dish, fostering connection and appreciation for different culinary traditions.

- Green Friday: Each employee received a desk plant to promote environmental mindfulness and workplace greenery. Employees were encouraged to wear green or white to symbolize their commitment to sustainability.

TEAMWORK
OLP
MODARABA
RESPECT
INTEGRITY

TEAMWORK
OLP
MODARABA
RESPECT
INTEGRITY

I am a

PINKTOBER

OLP Modaraba to educate its employees about breast cancer prevention and treatment, organized an awareness session in which a renowned Oncologist briefed them regarding breast cancer risk factors and the importance of regular screenings. The session fostered proactive healthcare practices and underscored OLPM's commitment to the welfare of its employees.

CHUGHTAI
HEALTHCARE

EMPLOYEE EMPOWERMENT

International Women's Day

At OLP Modaraba, we are deeply committed to promoting gender equality and empowering women in the workplace. In celebration of International Women's Day, we honoured our female employees with special giveaways as a token of appreciation for their contributions. This initiative reflects our alignment with national efforts to foster an inclusive society-one where women are encouraged to lead, thrive, and actively participate across all sectors of the economy.

Strengthening Community Bonds and Cultural Appreciation

OLP Modaraba continues to foster a workplace culture that values learning, diversity, and national pride. As part of our efforts to enrich employee experiences beyond the conventional workspace, we provided an engaging educational opportunity that offered insights into Pakistan's rich heritage of art, history, science, and culture.

In celebration of Independence Day, activities were held across all offices nationwide. Head Office employees participated in a special visit to the PAF Museum, where they explored historical exhibits in a visually immersive and interactive environment. The experience served as a meaningful reminder of our shared identity and the importance of cultural appreciation in strengthening community bonds.

STAKEHOLDERS

STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT

The main philosophy followed by the OLPM, has been to create value for all stakeholders through fair business practices. This translates into policies approved by the Board of Directors that ensures that systems and controls are in place so that Clients are treated fairly and full regard is taken of their interests as required by the entity's regulators.

OLPM maintains sound collaborative relationships with its stakeholders through engagement and provides a medium for clear, effective and consistent communication with all its stakeholders.

This helps to promote the reputation of the Modaraba and its management. Dialogues with investors, analysts and other stakeholders are also encouraged. Frequency of engagements is based on specific corporate requirements under the Code of Corporate Governance and with the objective to establish, promote and enhance the image of OLPM and its practices.

The table below acts as our statement by setting out the key stakeholder groups, their interests and how OLPM has engaged with them over the reporting period. However, given the importance of stakeholder focus, long-term strategy and reputation, these themes are also discussed throughout this Annual Report.

Stakeholder	Our Employees	Our suppliers	Our investors	Our Clients bodies	Regulatory	Community and Environment
Their interests	Training, development and career prospects Health and Safety Working conditions Diversity and Inclusion Human Rights Fair pay, employee benefits	Workers' rights Supplier engagement and management to prevent Fair trading and payment terms Sustainability and environmental impact Collaboration Long-term partnerships	Comprehensive review of financial performance of the business Business sustainability High standards of governance Success of the business Ethical behaviour Awareness of long-term strategy and direction	Timely and informative end to end service Ease of access to information Legal expertise Timeliness Safety Data security	Compliance with regulations Worker pay and conditions Health and Safety Brand reputation Waste and environment Insurance	Sustainability Human Rights Energy usage Recycling Waste Management Community outreach and CSR
How we engage	Workforce posters and communications Ongoing training and development opportunities Speakup procedures Employee benefits packages Staff intranet	Initial meetings and negotiations KPIs and Feedback Internal approval on significant changes to suppliers Direct engagement between suppliers and specified Modaraba contact	Regular reports and analysis for investors and Certificate holders Annual Report Modaraba website ARM Stock exchange announcements Dedicated investor relations resource for Certificate holder liaison	Client support service Modaraba reports Marketing and communications Client feedback Annual Report ARM Modaraba Website	Modaraba website Stock exchange announcements Annual Report Direct contact with regulators Compliance updates at Board Meetings Consistent risk review	Philanthropy Oversight of corporate responsibility plans CSR initiative Workplace recycling policies and processes

Issues raised at last ARM

All the concerns raised by the Certificate holders during the ARM related to performance of the modaraba were adequately addressed by the CEO and CFO.

Encouragement of Minority Certificate holders to Attend the Annual Review Meetings

The Modaraba encourages its Certificate holders to attend the Annual Review Meetings. It circulates the notice of review meetings well within regulatory timeframe. Moreover, advertisement is published in Urdu and English newspapers.

The Modaraba timely updates its website with respect to all notices of Annual Review Meeting / Board Meetings / other Regulatory Compliances.

Investor Relations Section on Website

We are continuously exploring new opportunities to create further value for our certificate holders and investors to give them a better return on their investments. The website of OLPM (www.olpmodaraba.com) is one such medium to generate awareness and provide reliable information to the investors. Detailed Modaraba information is provided on the website which includes but not limited to financial reports, investors notices/announcements, pattern of certificate holding, dividend declarations etc. The investor relations section is comprehensively covered on the website of OLPM which is regularly updated.

The Modaraba is also in full compliance with the SRO 634(I)/2014 dated July 10, 2014 issued by SECP regarding maintenance of functional website by listed companies. A Compliance Certificate by the Chief Executive under the said SRO is also placed on the website.

Summary of the analyst briefing, if any, taken place during the year

On 11 December 2024, a Corporate Briefing Session was organized by OLPM for its stakeholders, analysts. The detail of which can be viewed from OLPM website www.olpmodaraba.com

Highlights about redressal of investors' complaints.

The management of the Modaraba is committed to provide equal and fair treatment to all investors/certificate holders through transparent investor relations, increased awareness, effective communication, and prompt resolution of investors'/ certificate holders' complaints. In order to promote investor relations and facilitate access to the Modaraba for grievance / other query registration, a specific 'investors' relations' section is also maintained for the purpose on the Modaraba 's website, During the year under review no formal complaints was lodged by any certificate holder of the Modaraba.

Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions;

Modaraba's certificate holders comprise of a vast section of investors, which include, mutual funds, investment companies, insurance companies, foreign shareholders, pension funds, high net worth individuals, housewives, professionals and individuals of varied requirements. The Modaraba regularly interacts with all categories of certificate holders, through its Annual, Half-yearly and Quarterly reports, Annual Review Meeting, Intimation of Material information through PSX PUCAR's portal as well as press release and publication on OLPM website. etc. The Chief Executive Officer and the Chief Financial Officer remain available to respond to any certificate holder / investor's query in person or on telephone as well as our dedicated email ID i.e. askus@olpmodaraba.com. The Chief Executive Officer regularly updates the non-executive members of the views of the major certificate holders about the Modaraba.

OLP Modaraba continues to maintain a healthy relationship with the Investor community by holding Corporate Briefings annually, whereby the Modaraba apprises the Local & Foreign Investor base about the entity's business environment as well as the economic indicators of the country. The Modaraba also takes this as an Opportunities to brief analysts regarding its performance, investment decisions, and challenges along with business outlook.

Pattern of holding of certificates by the certificate-holders as at June 30, 2025

Number of Certificate holders	Certificate holding From	To	Total Certificates held
1,528	1	50	28,562
609	51	100	44,513
3,483	101	500	1,039,034
985	501	1,000	766,948
1,064	1,001	5,000	2,388,899
176	5,001	10,000	1,291,324
329	10,001	375,000,000	39,824,250
8,174			45,383,530

Category	Number of Certificate-holders	Number of Certificate Held	Percentage %
INDIVIDUAL	8,090	23,676,943	52.17
FINANCIAL INSTITUTIONS **	11	8,458,994	18.64
INVESTMENT COMPANIES	-	-	-
INSURANCE COMPANIES	11	5,552,553	12.23
MODARABAS / MODARABA MANAGEMENT COMPANIES*	7	4,571,901	10.07
JOINT STOCK COMPANIES	32	2,033,761	4.48
OTHERS	23	1,089,378	2.40
	8,174	45,383,530	100.00

* Includes OLP Services of Pakistan (Private) Limited (4,538,353 certificates)
** Includes OLP Financial Services Pakistan Limited (4,538,353 certificates)

OLP MODARABA
Additional Information as at June 30, 2025

Categories of Certificate-holders	Number	Certificates held	Percentage
Associated Companies, Undertakings and Related Parties			
OLP FINANCIAL SERVICES PAKISTAN LIMITED		4,538,353	10.00
OLP SERVICES PAKISTAN (PRIVATE) LIMITED		4,538,353	10.00
	2	9,076,706	20.00
MUTUAL FUNDS			
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	3,677,560	8.10
DIRECTORS, CEO & THEIR SPOUSE AND MINOR CHILDREN			
MR. NADIM D. KHAN	1	6,049	0.01
EXECUTIVES	0	0	-
PUBLIC SECTOR COMPANIES AND CORPORATIONS	3	4,114,836	9.07
BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE INSTITUTIONS, INSURANCE COMPANIES, MODARABAS	22	1,714,600	3.78
CERTIFICATE-HOLDERS HOLDING FIVE PERCENT OR MORE CERTIFICATES IN THE MODARABA (OTHER THAN THOSE REPORTED ABOVE)	-	-	-

FUTURE OUTLOOK

2020
2021
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2018
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FUTURE OUTLOOK

Forward-looking statement in narrative and quantitative form including projections or forecasts about known trends and uncertainties that could affect the company's resources, revenues and operations in the short, medium and long term.

Pakistan's economy although stable in the short term, with low discount rates and a positive current account still carries the risk of an inflation resurgence specially after the climate related incidents leading to floods in the country. We remain cautiously optimistic that although with the current low benchmark rates, top line revenue increase will remain challenging but smart resource allocation, diversifying product mix and managing our cost efficiently will create significant opportunities for shareholder value enhancement.

OLPM strategy remains maintaining the niche growth momentum, asset quality, increasing profitability and adding to the product mix. We aim to target new market niches and plan to enhance our exposure in high and mid-tier SME under the Diminishing Musharika structure and consumer market under an assurance-based model Given the circumstances, we understand that we need to both agile and liquid and our processes need to be robust and effective to avoid any untoward risk taking. In line with the same, OLPM has a Principals Committee to assess and plan our behaviour to the ever-changing operating environment. Amongst other things, OLPM also focuses on IT and system's transactional capability and reach and easy to use efficient processes ensuring client's satisfaction by reducing turnaround time without compromising on the control environment. As the focus is to grow, acquiring and retaining the right quality of human resource will be critical. Accordingly, OLPM will also continue to invest in learning and development of its staff i.e., on the job learning, learning from others and formal training. We believe that Islamic financing has a bright future in Pakistan. We continue to contribute a fair share to the growth of Islamic financing in the country specifically targeting the SME sector.

The outlook and Forecasts based on projections and plans for the future in this report are based on management's beliefs and assumptions drawn from current expectations, estimates, forecasts and projections. These expectations, estimates, forecasts and projections are gleaned from research, historical trend analysis and the management believes that we have the necessary wherewithal to adapt should risks and uncertainties arise that may cause actual results to differ materially from those indicated in any forward-looking statement.

In the long term our aim is to ensure sustainability of earnings and creation of sustainable value for our stakeholders and employees. Our plans and direction, honed and amended from time to time, over three decades of profitable operations are geared towards obtaining this objective and also using the structure of the Modaraba to its truest potential.

Explanation as to how the performance of the Modaraba meets the forward-looking disclosures.

OLP Modaraba manages and monitors risk exposure very prudently. We periodically and systematically re-evaluate our entire portfolio to ascertain risks associated with our existing customers and adjust risk classification and strategy. This process has also been followed this year. Credit policies have been further tuned accordingly to evaluate customers that are to be on-boarded in future. Stricter monitoring, and engagement scheduling is also in place for existing clients.

While reviewing credit policies, due weightage is given to various geographies, business sectors and their ability to sustain any future business disruptions. Our sensible and proactive risk management approach has always helped us to maintain a leading position in the Modaraba sector. We have also performed a thorough review of all departments' process flows to simplify them, enhancing efficient use of technology, reducing use of paper, providing appropriate training to staff, and maintaining high corporate governance standards.

In addition to the above, the board of directors has also thoroughly reviewed the Underwriting Standards and Risk Appetite paper.

Sources of information and assumptions used for projections / forecasts in the forward-looking statement and assistance taken by any external consultant.

The future projections and forecasts are made by making certain assumptions, keeping in mind the macroeconomic conditions, historical trends, and prospective developments, as well as other factors that might impact the Financial Sector in which we operate. External information, such as macroeconomic factors, market dynamics, etc. is obtained through various research publications and forums, such as IMF, World Bank, Asian Development Bank, SBP, ICAP, APCMA, PBC, etc. Internal information is obtained through a collaborative effort of various departments within the Modaraba. To make future projections, the management makes use of their best judgment and estimates. The Board critically analyzes the budgets and forecasts while finalizing strategic objectives and the way forward for the Modaraba.

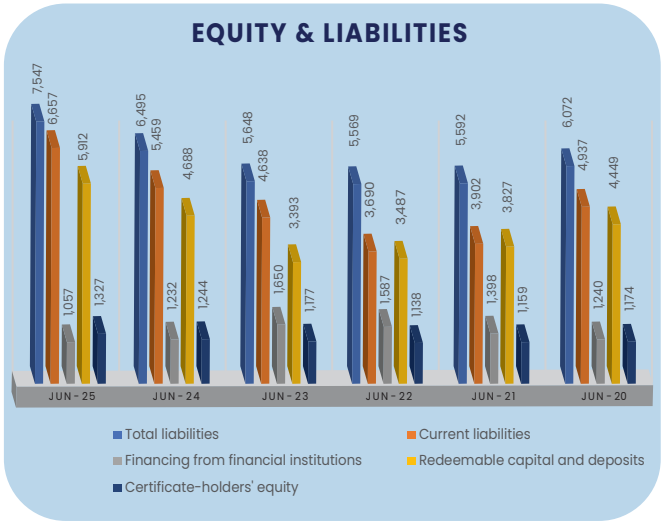
PERFORMANCE

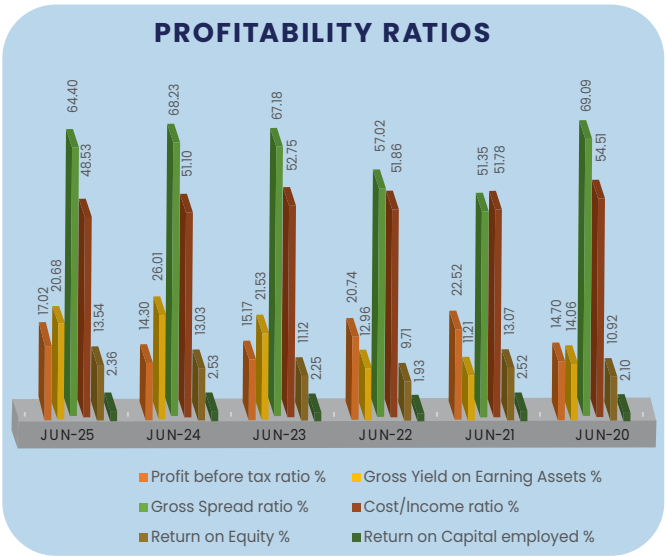
OLP MODARABA

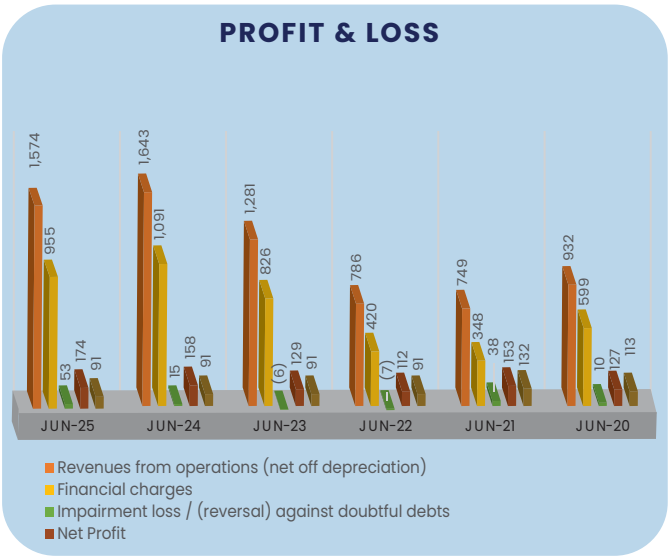
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
KEY FINANCIAL DATA (Rupees in Million)						
Total assets	**8,874**	**7,738**	**6,825**	**6,707**	**6,750**	**7,246**
Portfolio	7,707	6,909	6,021	5,574	5,570	5,863
Total disbursements	3,470	3,197	2,782	2,693	2,419	2,199
Current assets	3,264	2,620	2,111	2,351	2,504	2,363
Total liabilities	7,547	6,495	5,648	5,569	5,592	6,072
Current liabilities	6,657	5,459	4,638	3,690	3,902	4,937
Financing from financial institutions	1,057	1,232	1,650	1,587	1,398	1,240
Redeemable capital and deposits	5,912	4,688	3,393	3,487	3,827	4,449
Certificate-holders' fund (cum dividend)	748	665	598	566	592	615
Reserves	579	579	579	572	567	559
Certificate-holders' equity	1,327	1,244	1,177	1,138	1,159	1,174
Revenues from operations (net off depreciation)	1,574	1,643	1,281	786	749	932
Financial charges	955	1,091	826	420	348	599
Impairment loss / (reversal) against doubtful debts	53	15	(6)	(7)	38	10
Net Profit	174	158	129	112	153	127
Dividend including Bonus certificates	113	91	91	91	132	113
SUMMARY OF CASH FLOW						
Cash and cash equivalents at beginning of the year	330	400	514	769	1,038	433
Net cash generated from /(used in) operating activities	(891)	(1,034)	(22)	(93)	271	272
Net cash generated from/(used in) investing activities	73	84	53	16	37	52
Net cash generated from / (used in) financing activities	1,094	880	(145)	(178)	(577)	281
Net Increase / (decrease) in cash and cash equivalents	275	(70)	(114)	(255)	(269)	605
Cash and cash equivalents at end year	**605**	**330**	**400**	**514**	**769**	**1,038**
Profitability Ratios						
Profit before tax ratio	17.02	14.30	15.17	20.74	22.52	14.70
Gross Yield on Earning Assets	20.68	26.01	21.53	12.96	11.21	14.06
Gross Spread ratio	64.40	68.23	67.18	57.02	51.35	69.09
Cost/Income ratio	48.53	51.10	52.75	51.86	51.78	54.51
Return on Equity	13.54	13.03	11.12	9.71	13.07	10.92
Return on Capital employed	2.36	2.53	2.25	1.93	2.52	2.10
Liquidity Ratios						
Advances to deposits ratio	1.34	1.53	2.04	1.85	1.71	1.51
Current / Quick ratio	0.49	0.48	0.46	0.64	0.64	0.48
Cash to Current Liabilities	9.08	6.04	8.63	13.93	19.71	21.03
Investment /Market Ratios						
Dividend Yield ratio	13.32	14.68	17.70	12.50	16.57	13.89
Dividend Payout ratio	65.18	57.54	70.48	81.37	86.29	89.02
Cash Dividend per certificate	25.00	20.00	20.00	20.00	29.00	25.00
Cash Dividend per certificate	2.50	2.00	2.00	2.00	2.90	2.50
Earnings per Certificate (EPC) basic and diluted	3.84	3.48	2.84	2.46	3.36	2.81
Break-up Value per share	29.24	27.40	25.93	25.09	25.53	25.88
Market value per certificate at the end of the year and high/low during the year	18.77	13.62	11.30	16.00	17.50	18.00
Market value per certificate - low	13.70	13.70	11.00	14.99	16.01	14.00
Market value per certificate - high	18.77	14.50	17.18	19.28	21.50	18.50
Dividend Cover ratio	1.53	1.74	1.42	1.23	1.16	1.12
Price Earnings ratio	4.89	3.92	3.98	6.51	5.21	6.41
Price to Book ratio	0.64	0.50	0.44	0.64	0.69	0.70

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
KEY FINANCIAL DATA (Rupees in Million)						
Capital Structure Ratios						
Earning assets to total assets ratio	93.66	93.55	94.10	90.78	93.91	95.24
Weighted Average cost of deposit	13.52	20.09	14.53	7.87	5.95	10.96
Net assets per share	29.24	27.40	25.93	25.09	25.53	25.88
Financial leverage ratio	5.04	4.44	3.86	4.04	4.01	4.35
Weighted average cost of debt	15.65	21.67	18.05	9.09	7.13	12.18
Debt to Equity ratio	1.14	1.35	1.71	1.79	1.52	1.11
Financial Charges Cover ratio	1.26	1.21	1.23	1.36	1.44	1.21
Revenue from Ijarah transaction is calculated on the basis rental income net off related depreciation for above ratios						
Non performing portfolio						
Ijarah	102.28	99.68	40.10	53.55	66.81	164.20
Diminishing Musharaka	204.26	171.15	96.61	183.08	125.36	331.11
Housing Finance	-	3.69	-		-	2.12
Sukuks	-	-	-	57.70	57.70	57.70
Total	**306.54**	**274.52**	**136.71**	**294.33**	**249.87**	**555.13**

GRAPHS

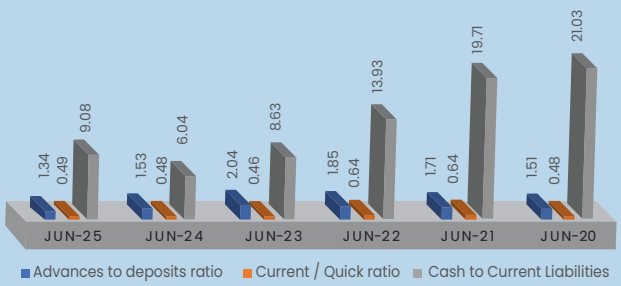




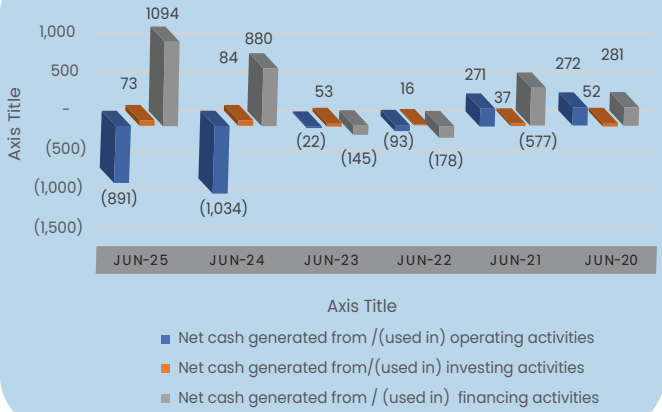


GRAPHS

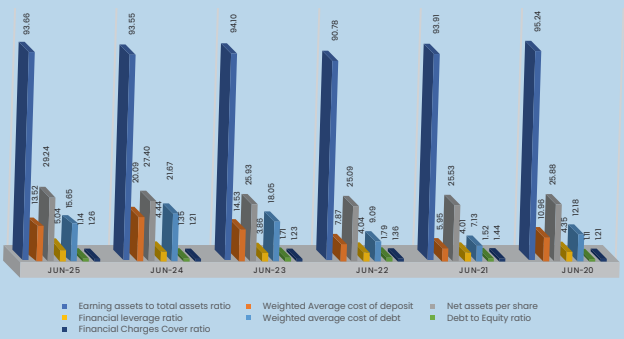
LIQUIDITY RATIOS



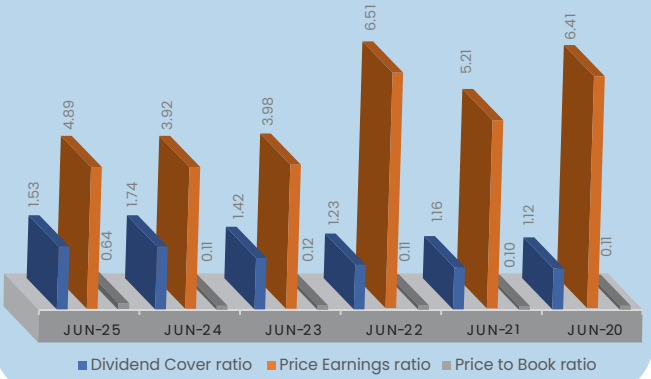
CASH FLOW



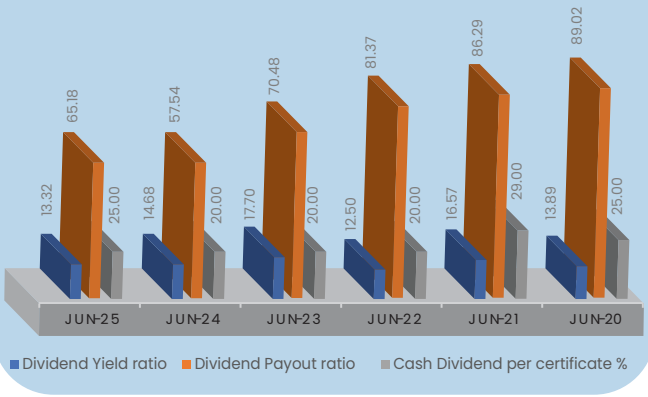
CAPITAL STRUCTURE RATIO



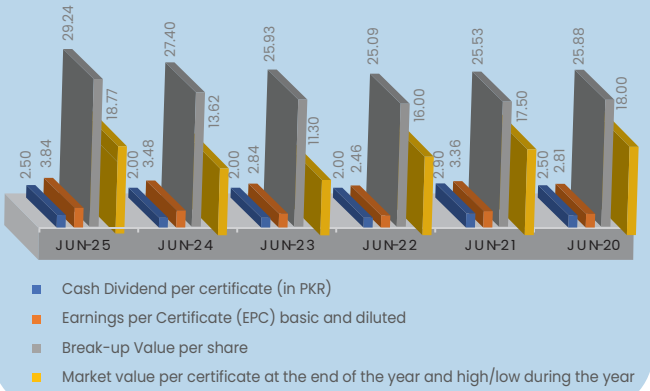
INVESTMENT/ MARKET RATIOS



INVESTMENT/ MARKET RATIOS



INVESTMENT/ MARKET RATIOS



COMMENTS ON KEY RATIOS COMPARED TO LAST YEAR

Profitability ratios:

During the year 2025, the KIBOR rate experienced a downward trend, which began in the second half of the previous year and continued steadily. As a result, financial charges declined, contributing to an improvement in the profit before tax ratio, which rose from 14.30% to 17.02%. Despite a reduction in gross yield on earning assets—from 26.01% to 20.68%—the Modaraba maintained a healthy margin due to effective asset repricing and portfolio management. The gross spread ratio slightly decreased to 64.40%, reflecting the lagged impact of lower KIBOR on earning assets. Meanwhile, the cost/income ratio improved to 48.53%, driven by prudent expense control and operational efficiency. Return on equity increased to 13.54%, indicating stronger profitability and shareholder value. Although return on capital employed saw a marginal decline, the overall profitability indicators reflect a stable and resilient financial performance in a changing economic environment.

Liquidity Ratios

The advances to deposits ratio declined to 1.34 in 2025, primarily due to a strategic shift in the financing mix and a continued increase in the COMs portfolio. The current ratio remained stable at 0.49, consistent with industry norms for Financial Services Modarabas, where Ijarah assets are classified as fixed assets under IFAS-2, thereby impacting current asset levels. A notable improvement was observed in the cash to current liabilities ratio, which increased to 9.08, reflecting a stronger liquidity position. This was driven by prudent cash flow management and a deliberate buildup of cash reserves to meet short-term obligations and financing commitments. OLPM maintained a robust liquidity buffer throughout the year, ensuring operational stability and readiness to capitalize on emerging opportunities. The overall liquidity profile remains sound and supports the Modaraba's strategic objectives.

Capital Structure Ratios

The earning assets to total assets ratio remained stable at 93.66%, reflecting consistent asset allocation and portfolio composition. The weighted average cost of deposit and debt declined significantly to 13.52% and 15.65%, respectively, primarily due to the downward movement in KIBOR during the year. This reduction in funding costs positively impacted the Modaraba's financial efficiency. Net assets per share increased to 29.24, indicating improved shareholder value and retained earnings. The financial leverage ratio rose to 5.04, reflecting optimized capital utilization. The debt-to-equity ratio decreased to 1.14, driven by a reduction in bank borrowings and a stronger equity base. Additionally, the financial charges cover ratio improved to 1.26, signifying enhanced capacity to meet financial obligations. Overall, the capital structure remains robust and well-aligned with the Modaraba's long-term financial strategy.

Investment/ Market Ratios

The slight decline in the Dividend Yield ratio during 2025 indicates that OLPM investors continue to demonstrate strong confidence in the Modaraba's long-term growth prospects. This reflects a strategic shift in investor expectations toward capital appreciation, which may offset a lower yield in the short term.

Despite the decrease in yield, the Dividend Payout ratio has increased, supported by a rise in Earnings Per Share (EPS). OLPM has maintained its commitment to delivering consistent returns to its Certificate holders, as evidenced by the increase in cash dividend per certificate.

The improvement in these ratios is primarily attributed to a higher net profit recorded during the current year compared to the previous year, reinforcing OLPM's financial strength and operational efficiency. These metrics, being directly linked to profitability, underscore the Modaraba's continued focus on sustainable value creation for its stakeholders.

Earnings per Certificate (EPC) basic and diluted

The increase in Break-up Value per Certificate to PKR 29.24 reflects OLPM's continued growth in net assets and financial stability during the year ended June 30, 2025. This upward trend signals strong underlying fundamentals and prudent management of resources.

The Price-Earnings (P/E) ratio remains relatively low despite an increase in Earnings per Certificate (EPC) to PKR 3.84, suggesting that OLPM certificates may still be undervalued. This could be attributed to lingering market volatility and investor caution amid ongoing economic and political challenges.

The rise in market value per certificate to PKR 18.77 at year-end, compared to the previous year, indicates renewed investor confidence and a positive outlook for future performance. The consistent low of PKR 13.70 during the year also highlights the resilience of OLPM's market position.

Overall, the improved EPC and Break-up Value, coupled with a stable market performance, reinforce OLPM's commitment to delivering long-term value to its certificate holders.

Non-Performing Portfolio:

During the current year, OLPM successfully recovered certain long-outstanding dues from non-performing clients. However, despite continued recovery efforts, the non-performing portfolio has increased from PKR 274.52 million to PKR 306.54 million, primarily due to delayed payments from selected clients under the Diminishing Musharaka and Ijarah arrangements.

OLPM remains committed to maintaining the quality of its financing portfolio and continues to actively monitor and manage non-performing exposures. Focused recovery strategies and client engagement initiatives are being pursued to mitigate risk and improve asset quality in the coming periods.

HORIZONTAL ANALYSIS

BALANCE SHEET (%)

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
ASSETS						
Current assets						
Cash and bank balances	83.41	(17.65)	(22.15)	(33.14)	(25.92)	140.13
Ijarah rentals receivable	(51.72)	(46.47)	(16.83)	9.92	(36.95)	69.45
Advances, deposits, prepayments and other receivables	(1.71)	149.67	(60.77)	45.95	88.50	(19.36)
Current portion of investment in Sukuk certificates	(54.48)	183.32	100.00	-	-	-
Current portion of Diminishing Musharika	39.77	12.00	1.71	(2.10)	34.76	(6.75)
Current portion of net investment in Ijarah finance	-	-	(100.00)	-	-	-
Taxation recoverable	-	-	-	(100.00)	13.94	10.15
Total current assets	23.90	24.09	(10.19)	(6.10)	5.95	32.03
Non - current assets						
Loans and advances to employees	-	-	-	-	-	-
Long-term portion of investment in Sukuk certificates	-	-	-	-	-	-
Long-term portion of Diminishing Musharika	24.63	29.04	19.68	23.25	(11.01)	10.72
Long-term portion of net investment in Ijarah finance	-	-	-	-	-	-
Ijarah assets	(41.51)	(21.73)	(10.13)	(19.29)	(14.74)	(16.17)
Deferred taxation	164.47	(81.67)	88.15	100.00	-	-
Fixed assets in own use	303.93	(3.85)	1.23	348.01	(26.65)	(31.71)
Total non-current assets	9.91	8.59	8.19	2.58	(13.04)	(5.66)
TOTAL ASSETS	14.67	13.39	1.75	(0.64)	(6.85)	4.02
LIABILITIES AND EQUITY						
Current liabilities						
Current maturity of security deposits	0.42	(22.92)	5.75	(33.93)	20.02	7.16
Creditors, accrued and other liabilities	(20.07)	10.43	11.87	23.58	(0.52)	(12.54)
Advance Ijarah rentals received	(100.00)	180.89	(51.78)	(62.71)	(60.47)	(36.09)
Current portion of redeemable capital	33.44	52.56	4.58	(10.63)	(24.14)	39.46
Taxation payable	31.47	(57.98)	112.22	100.00	-	-
Unclaimed profit distribution	38.70	(2.85)	0.88	2.37	(1.21)	4.25
Total current liabilities	21.95	17.70	25.70	(5.44)	(20.96)	17.36
Non - current liabilities						
Long-term portion of security deposits	(45.32)	(17.44)	4.33	(6.26)	(10.94)	(18.53)
Long-term portion of Musharika term finance	(5.75)	23.83	(56.19)	13.62	40.41	(34.52)
Long-term portion of redeemable capital	(28.30)	(20.67)	(56.82)	21.04	778.39	3.58
Total non - current liabilities	(14.09)	2.57	(46.25)	11.20	48.86	(29.01)
TOTAL LIABILITIES	16.20	14.99	1.43	(0.41)	(7.91)	4.59
CERTIFICATE HOLDERS' EQUITY						
Authorised certificate capital						
50,000,000 (2024: 50,000,000) certificates of Rs 10 each	-	-	-	-	-	-
Certificate capital						
Issued, subscribed and paid-up certificate capital						
28,500,000 (2024: 28,500,000) certificates of Rs. 10 each issued as fully paid in cash	-	-	-	-	-	-
16,883,530 (2024: 16,883,530) certificates of Rs. 10 each issued as fully paid bonus certificates	-	-	-	-	-	-
	-	-	-	-	-	-
Reserves	(0.00)	-	1.12	0.98	1.36	1.15
Unappropriated profit	39.51	46.54	28.11	(18.59)	(14.52)	4.96
	6.70	5.69	3.34	(1.73)	(1.35)	1.21
TOTAL LIABILITIES AND EQUITY	14.67	13.39	1.75	(0.64)	(6.85)	4.02

VERTICAL ANALYSIS

BALANCE SHEET (%)

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
ASSETS						
Current assets						
Cash and bank balances	6.81	4.26	5.86	7.67	11.39	14.33
Ijarah rentals receivable	0.38	0.72	1.52	1.86	1.68	2.48
Advances, deposits, prepayments and other receivables	4.47	5.21	2.37	6.14	4.18	2.07
Current portion of investment in Sukuk certificates	1.80	4.53	1.81	-	-	-
Current portion of Diminishing Musharika	23.32	19.13	19.37	19.38	19.66	13.59
Current portion of net investment in Ijarah finance	-	-	-	0.01	0.01	0.01
Taxation recoverable	-	-	-	-	0.16	0.13
Total current assets	36.78	33.86	30.94	35.05	37.09	32.61
Non - current assets						
Loans and advances to employees	-	-	-	-	-	-
Long-term portion of investment in Sukuk certificates	-	-	-	-	-	-
Long-term portion of Diminishing Musharika	53.43	49.16	43.20	36.73	29.61	30.99
Long-term portion of net investment in Ijarah finance	-	-	-	-	-	-
Ijarah assets	8.30	16.46	23.85	27.00	33.24	36.32
Deferred Taxation	0.65	0.28	1.73	0.94	-	-
Fixed assets in own use	0.84	0.24	0.28	0.28	0.06	0.08
Total non-current assets	63.22	66.14	69.06	64.95	62.91	67.39
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY						
Current liabilities						
Musharika finance	-	-	-	-	-	-
Murabaha finance	-	-	-	-	-	-
Current maturity of security deposits	1.48	1.69	2.48	2.39	3.59	2.79
Current maturity of Musharika term finance						
Creditors, accrued and other liabilities	4.13	5.93	6.08	5.53	4.45	4.17
Advance Ijarah rentals received	-	0.06	0.02	0.05	0.14	0.32
Current portion of redeemable capital	62.33	53.57	39.81	38.74	43.07	52.89
Taxation payable	0.80	0.70	1.89	0.91	-	-
Unclaimed profit distribution	0.90	0.74	0.87	0.88	0.85	0.80
Total current liabilities	75.02	70.54	67.96	55.01	57.81	68.13
Non - current liabilities						
Long-term portion of security deposits	1.66	3.49	4.79	4.67	4.95	5.18
Long-term portion of Musharika term finance	6.63	8.06	7.38	17.15	14.99	9.95
Long-term portion of redeemable capital	1.15	1.84	2.63	6.20	5.09	0.54
Total non - current liabilities	10.03	13.39	14.80	28.01	25.03	15.66
TOTAL LIABILITIES	85.05	83.93	82.76	83.02	82.84	83.79
CERTIFICATE HOLDERS' EQUITY						
Authorised certificate capital						
50,000,000 (2010: 50,000,000) certificates of Rs 10 each	5.63	6.46	7.33	7.45	7.41	6.90
Certificate capital						
Issued, subscribed and paid-up certificate capital						
28,500,000 (2010: 28,500,000) certificates of Rs. 10 each issued as fully paid in cash	3.21	3.68	4.18	4.25	4.22	3.93
16,883,530 (2010: 16,883,530) certificates of Rs. 10 each issued as fully paid bonus certificates	-	-	-	-	-	-
	1.90	2.18	2.47	2.52	2.50	2.33
	5.11	5.86	6.65	6.77	6.72	6.26
Reserves	6.52	7.48	8.48	8.53	8.40	7.72
Unappropriated profit	3.32	2.72	2.11	1.67	2.04	2.23
	14.95	16.07	17.24	16.98	17.16	16.21
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00	100.00	100.00

HORIZONTAL ANALYSIS

PROFIT AND LOSS

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Ijarah rentals earned	(25.74)	(14.32)	(7.83)	(18.86)	(13.00)	(10.06)
Profit on Mutual Funds	(17.03)	13.42	100.00	-	-	-
Income on Diminishing Musharika arrangements	2.47	37.60	90.57	22.37	(22.11)	35.10
Income on deposits with bank	(29.06)	62.12	72.16	(9.13)	(30.48)	189.51
	(10.49)	11.31	23.89	(10.00)	(15.56)	(0.59)
Financial charges	(12.39)	32.10	96.42	20.83	(41.93)	33.83
Depreciation on assets under Ijarah arrangements	(20.79)	(23.20)	(15.87)	(22.45)	(10.80)	(15.47)
Impairment against ijarah assets	(100.00)	100.00	(100.00)	(444.09)	(100.00)	-
	1.41	29.26	25.58	(2.19)	22.53	21.08
Reversal / (Provision) in respect of Ijarah finances - net	(74.89)	104.03	(540.26)	(73.30)	100.00	(100.00)
Provision in respect of Diminishing Musharika	(532.64)	(53.88)	(2,185.13)	(97.91)	381.33	(794.99)
Reversal / (Provision) in respect of other receivables	(46.96)	(118.34)	(493.13)	(66.51)	(100.00)	-
	(3.58)	20.31	26.69	10.84	13.26	14.36
Other income	100.75	(13.94)	5.99	(31.66)	11.33	(10.97)
Administrative and operating expenses	(0.15)	12.80	26.08	2.58	7.21	14.88
	10.65	20.49	21.67	2.26	19.66	1.11
Management Company's remuneration	10.65	20.49	21.67	2.26	19.66	1.11
Provision for services sales tax on Management Company's remuneration	27.67	21.67	2.26	19.66	1.11	4.79
Provision for workers' welfare fund	10.40	(35.10)	13.87	102.86	19.66	1.11
Profit before taxation	10.40	22.64	21.99	0.20	19.66	1.11
Taxation	10.49	22.98	39.64	(100.00)	-	-
Profit after taxation	10.36	22.48	15.45	(26.86)	19.66	1.11
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	10.36	22.48	15.45	(26.86)	19.66	1.11

VERTICAL ANALYSIS

PROFIT AND LOSS

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Ijarah rentals earned	32.88	39.62	51.48	69.19	76.75	74.49
Profit on Mutual Funds	1.40	1.51	1.48	-	-	-
Income on Diminishing Musharika arrangements	61.98	54.14	43.80	28.47	20.94	22.70
Income on deposits with bank	3.74	4.72	3.24	2.33	2.31	2.81
	100.00	100.00	100.00	100.00	100.00	100.00
Financial charges	(50.55)	(51.65)	(43.52)	(27.45)	(20.44)	(29.73)
Depreciation on assets under Ijarah arrangements	(21.51)	(24.30)	(35.22)	(51.86)	(60.18)	(56.97)
Impairment against ijarah assets	-	0.64	-	0.29	(0.07)	-
	27.94	24.69	21.26	20.97	19.30	13.30
Reversal of provision in respect of Ijarah finances - net	(0.49)	(1.78)	(0.97)	0.27	0.92	-
Provision in respect of Diminishing Musharika	(2.28)	0.47	1.14	(0.07)	(2.92)	(0.51)
Reversal / (Provision) in respect of other receivables	(0.02)	(0.03)	0.18	(0.06)	(0.15)	-
	25.15	23.35	21.60	21.12	17.15	12.79
Other income	4.77	2.13	2.75	3.22	4.24	3.21
Administrative and operating expenses	(14.52)	(13.02)	(12.85)	(12.62)	(11.07)	(8.72)
	15.40	12.46	11.51	11.72	10.31	7.28
Management Company's remuneration	(1.54)	(1.25)	(1.15)	(1.17)	(1.03)	(0.73)
Provision for services sales tax on Management Company's remuneration	(0.23)	(0.15)	(0.15)	(0.13)	(0.09)	(0.09)
Provision for workers' welfare fund	(0.27)	(0.22)	(0.38)	(0.41)	(0.18)	(0.13)
Profit before taxation	13.36	10.83	9.83	9.98	8.96	6.33
Taxation	(4.15)	(3.36)	(3.04)	(2.70)	-	-
Profit after taxation	9.21	7.47	6.79	7.29	8.96	6.33
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	9.21	7.47	6.79	7.29	8.96	6.33

CASH FLOW

FOR THE YEAR ENDED JUNE 30, 2025 (BY DIRECT METHOD)

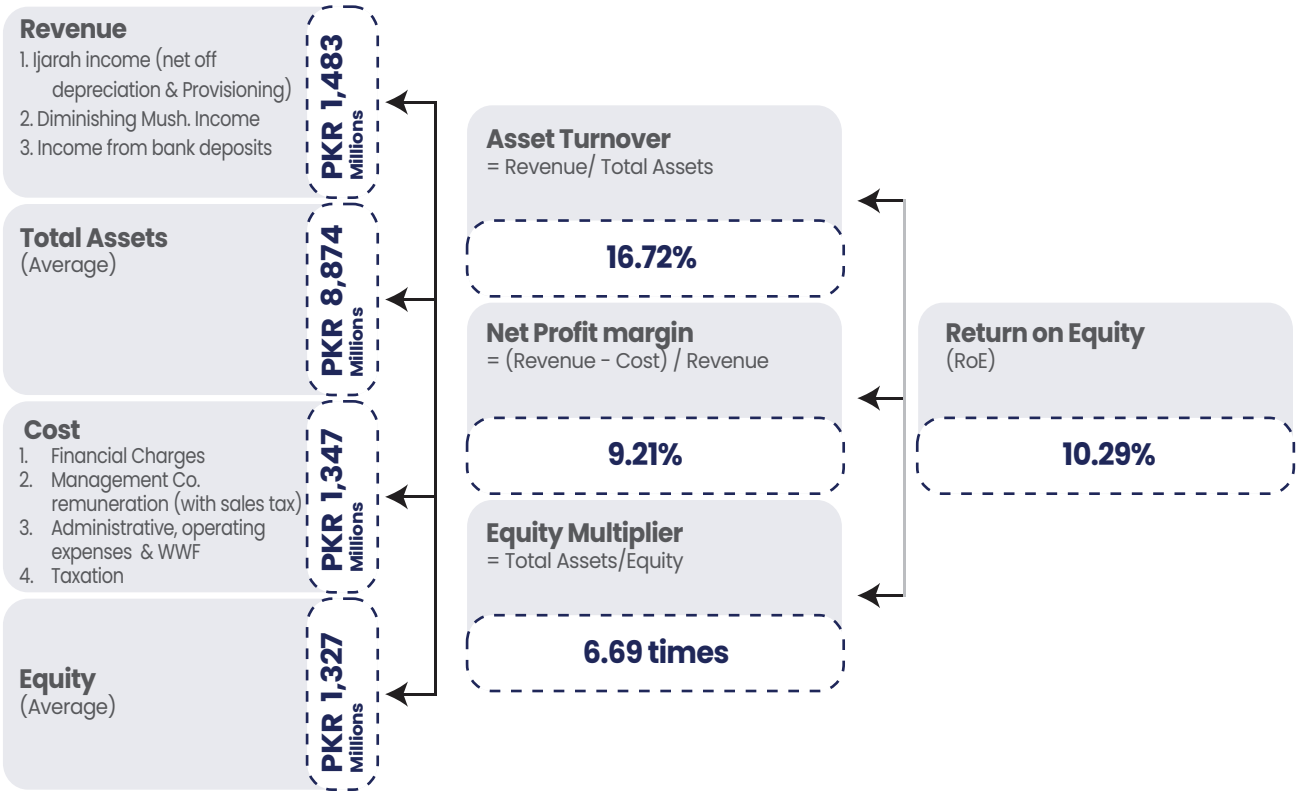
	June 30, 2025	June 30, 2024
	---------- (Rupees) ----------	
Ijarah Rental Collection	654,406,361	795,054,079
Diminishing Musharaka's repayment proceeds	1,888,342,217	1,627,473,623
Diminishing Musharaka's profit receipts	1,317,269,570	1,135,292,883
Ijarah Disbursements (net off security deposits)	(469,968,805)	(574,649,993)
Diminishing Musharaka disbursements	(3,466,309,039)	(2,610,707,793)
Net proceeds from Ijarah assets disposals	641,576,545	100,644,486
Financial charges paid	(912,269,632)	(1,006,836,279)
Management company's remuneration	(26,302,197)	(12,521,234)
Salaries & staff benefits	(182,581,325)	(178,220,239)
Documentation fee & others from customers	25,623,244	41,164,894
Payments for operating expenses	(79,306,630)	(101,934,662)
Taxes, duties, levies, charity & advance payments	(70,897,287)	(49,108,183)
Investments	(191,182,831)	(200,000,000)
Net cash used in operating activities	(871,599,810)	(1,034,348,418)
Net cash generated from investing activities	72,638,177	83,365,172
Net cash generated from financing activities	923,913,764	880,356,625
Net cash used in operations	124,952,131	(70,626,621)
Cash & cash Equivalent at beginning of the year	329,627,579	400,254,200
Cash & cash Equivalent at end of the year	454,579,710	329,627,579

	June 30, 2025	June 30, 2024
	---------- (Rupees) ----------	
Free cashflows		
Net cashflow used in operating activities	(871,599,810)	1,034,348,418
Net funds from bank financing	325,117,384	418,113,756
Net movement in deposits	262,642,335	(1,390,930,000)
Fixed capital expenditure	(6,291,357)	9,806,678
	(290,131,448)	71,338,852

SEGMENT INFORMATION

	2025					
	Finance lease	Finances and loans	Ijarah	Investment in subsidiaries, associates & others	Micro Finance	Total
	(Rupees)					
Segment revenues	-	1,201,044,866	681,870,562	97,177,305	-	1,980,092,734
Finance cost	-	729,150,721	167,210,845	58,996,049	-	955,357,615
Administrative and general expenses	-	235,005,939	53,892,207	19,014,480	-	307,912,626
Direct cost	-	-	406,443,657	-	-	406,443,657
(Reversal) / Provision-net	-	43,155,700	9,334,940	-	-	52,490,640
Other provision /(reversals) - net	-	-		323,534	-	323,534
Segment results	**-**	**193,732,506**	**44,988,914**	**19,490,310**	**-**	**257,564,662**
Provision for Workers' Welfare Fund	-	(3,874,650)	(899,778)	(389,806)		(5,151,293)
Provision for taxation	-	(58,922,412)	(13,683,069)	(5,927,844)		(78,336,524)
Profit for the period		**138,684,744**	**32,205,623**	**13,952,272**		**174,076,845**
Other information						
Segment assets	-	6,810,157,726	770,452,179	488,570,341	-	8,069,180,246
Unallocated assets	-	-	-	-		804,546,388
Total assets						**8,873,726,634**
Segment liabilities	-	5,772,398,709	931,622,177	405,078,294	-	7,109,099,180
Unallocated liabilities						437,724,971
Total liabilities						**7,546,824,151**
Capital expenditure	-	4,627,921	1,061,288	374,448	-	6,063,657
Depreciation	-	7,579,165	1,738,075	613,235	-	9,930,475
Unallocated Capital expenditure	-	-	-	-	-	-
Additions made to intangible assets	-	173,786	39,853	14,061	-	227,700
Unallocated depreciation and amortisation	-	-	-	-	-	-

Dupont Analysis



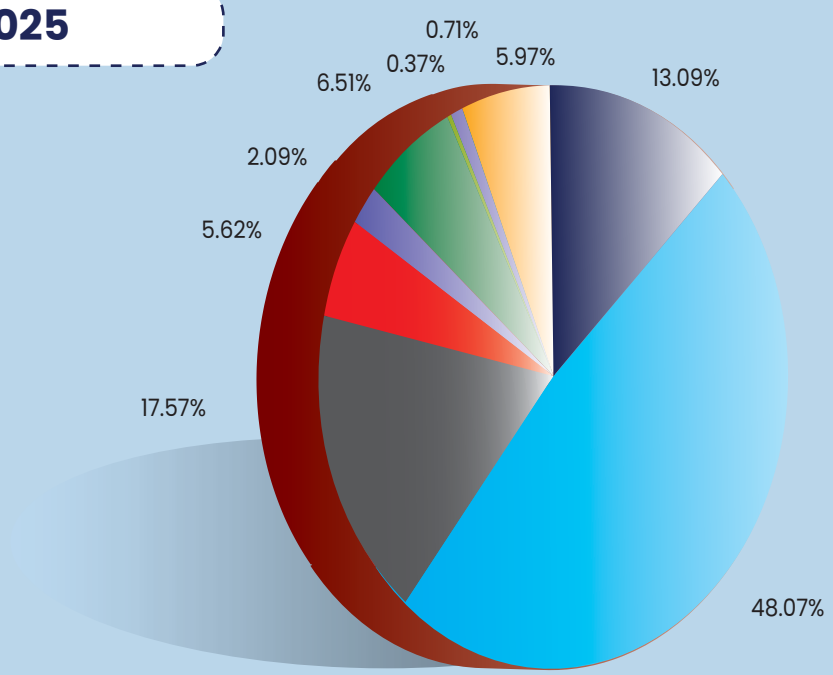
Statement of Charity Account

	2024 - 2025
	--- Rupees ---
Names of Non- Profit Organisations	
The Patients Behbud Society for AKU	2,000,000
Layton Rehmatulla Benevolent Trust	2,000,000
Total	**4,000,000**

STATEMENT OF VALUE ADDED

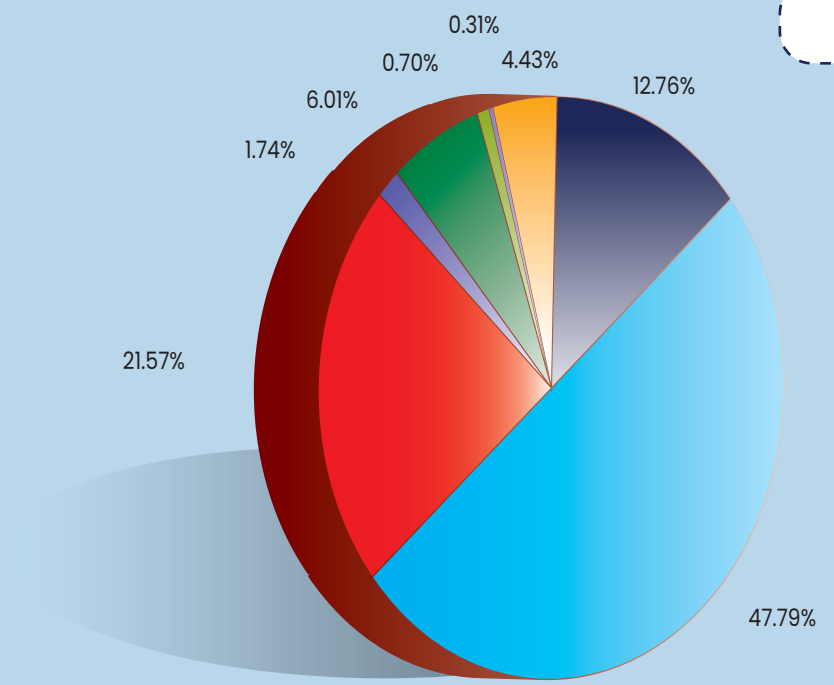
	2025 Rupees	%	2024 Rupees	%
Revenue from operations (net of depreciation of Ijarah assets)	1,483,452,123		1,598,315,388	
Other Income/ charges/reversal of provision for WWF	37,382,780		30,060,691	
	1,520,834,903		1,628,376,079	
Operating expenses	81,931,971		71,675,996	
Other charges	39,880,208		43,111,692	
Provision for services sales tax on management company's remuneration	4,365,503		3,419,286	
Value Added	1,394,657,221	100.00	1,510,169,105	100
Distributed as follows:				
To Employees				
As remuneration	182,581,325	13.09	192,632,429	12.76
To finance providers				
As profit on redeemable capital	670,420,208	48.07	721,694,359	47.79
As financial charges on Murabaha/Musharika	245,057,199	17.57	325,697,420	21.57
To Modarib				
As management company's remuneration	29,103,352	2.09	26,302,197	1.74
To Certificate-holders				
As profit on certificates	90,767,060	6.51	90,767,060	6.01
To Revenue Authorities				
As workers' welfare fund	5,151,293	0.37	4,666,010	0.31
As Taxation	78,336,524	5.62	70,897,287	4.69
Retained in Business				
As depreciation	9,930,475	0.71	10,542,217	0.7
As capital reserves and retained earning	83,309,785	5.97	66,970,126	4.43
	1,394,657,221	100	1,510,169,105	100

2025



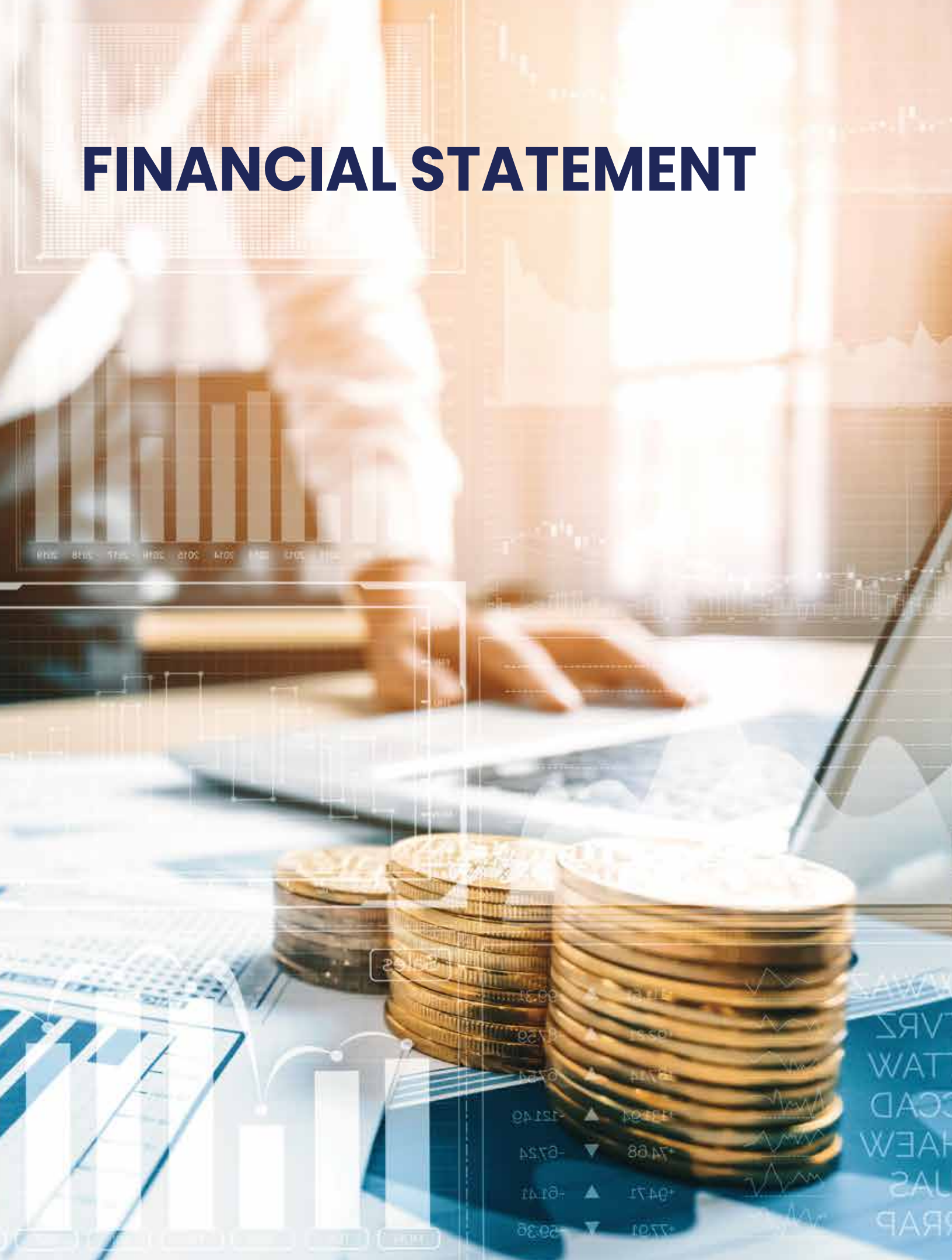
- As remuneration to employees
- As financial charges on Murabaha/Musharika
- As profit on certificates
- As depreciation
- As profit on redeemable capital
- As management company's remuneration
- As workers' welfare fund
- As capital reserves and retained earning
- Taxation

2024



- As remuneration to employees
- As financial charges on Murabaha/Musharika
- As profit on certificates
- As depreciation
- As profit on redeemable capital
- As management company's remuneration
- As workers' welfare fund
- As capital reserves and retained earning

FINANCIAL STATEMENT



INDEPENDENT AUDITOR'S REPORT

To the certificate holders of the OLP Modaraba

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **OLP Modaraba** (the Modaraba), which comprise the statement of financial position as at 30 June 2025, and the statement of profit and loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to and forming part of the financial statements, including a summary of 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 statement of financial position, the statement of profit and loss and other comprehensive income, the statement of changes in equity, and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), in the manner so required and respectively give a true and fair view of the state of Modaraba'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 Modaraba and the Modaraba Management Company [OLP Services Pakistan (Private) Limited] 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 judgment, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1.	**Allowance for ECL (Expected Credit Loss) against ijarah and diminishing musharika** **(Refer notes 4.2.4, 5.3, 5.8, 5.9, 10.1, 10.4, and 10.4.3 to the financial statements)**	
	As at 30 June 2025, the Modaraba maintained an ECL allowance of Rs. 63.49 million and Rs. 100.74 million for ijarah and diminishing musharika respectively and has recognized a net charge of Rs. 9.33 million and Rs. 43.15 million in respect of ijarah and diminishing musharika respectively in the statement of profit and loss and other comprehensive income during the year ended 30 June 2025. The Modaraba recognizes allowance for ECL against ijarah and diminishing musharika under the requirement of IFRS 9 and applies the general approach as to measure ECL for ijarah and diminishing musharika. Under this approach a lifetime ECL is recorded on Ijarah and diminishing musharika in which there has been Significant Increase in Credit Risk (SICR) from the date of initial recognition, and which are credit impaired as on the reporting date. Alternatively, a twelve months ECL is recorded for ijarah and diminishing musharika balances which do not have a significant increase in credit risk or are credit impaired as at the reporting date.	Our audit procedures in this area included, among others: • Obtaining an understanding of the relevant controls established by the Modaraba over the ECL process to identify loss events and for determining the extent of allowance for ECL required against ijarah and diminishing musharika balances. • 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 independent testing of the ECL allowance on a sample basis.

S. No.	Key audit matter	How the matter was addressed in our audit
	To assess whether there is a significant increase in credit risk the Modaraba 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 Modaraba also considers reasonable and supportive forward-looking information in determination of allowance for ECL. The allowance is increased by ECL charged to the statement of profit and loss and other comprehensive income and is decreased by reversals, recoveries net, or write-off. 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 allowance and the related significant judgements and estimation exercised by management in estimating allowance for ECL, we considered the area of allowance for ECL as a key audit matter.	• Assessing the relevance and completeness of the key inputs into the allowance for ECL calculations. • Checking mathematical accuracy of the model. • Assessing the appropriateness of SICR criteria applied by the Modaraba by evaluating the consistency of SICR criteria and staging methodology with accounting and reporting standards as applicable in Pakistan. • Evaluating the adequacy of financial statement disclosures, around allowance for ECL as required by the accounting and reporting standards as applicable in Pakistan.

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

Management is responsible for the other information. The other information comprises the Chairman's review, Directors' report and key operating and financial data, horizontal analysis, vertical analysis, statement of value added, sustainability and corporate social responsibility and the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors of Modaraba Company for the Financial Statements

Management of the Modaraba Company is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017, and Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and for such internal control as management of the Modaraba Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management of the Modaraba Company is responsible for assessing the Modaraba'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 of the Modaraba Company either intends to liquidate the Modaraba or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Modaraba Company.

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

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

We communicate with the Board of directors of the Modaraba Company 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 of the Modaraba Company 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 of the Modaraba Company, we determine those matters that were of most significance in the audit of the financial statements of

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Modaraba Company in respect of the Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980);

b) the statement of financial position, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year by the Modaraba were in accordance with the objects, terms and conditions of the Modaraba; and

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

Other Matter

The financial statements of the Modaraba as at and for the year ended 30 June 2024 were audited by another auditor who had expressed an unmodified opinion on those statements dated 4 October 2024.

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

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 30 September 2025
Karachi
UDIN: AR202510096Ij6t3J9ZC

STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

	Note	June 30, 2025	June 30, 2024
		(Rupees)	
ASSETS			
Non-current assets			
Long-term portion of diminishing musharika	5.4	4,736,612,650	3,807,621,307
Ijarah assets	6	736,741,555	1,259,654,374
Property and equipment	7	72,962,862	14,746,223
Intangible assets	8	1,825,173	3,768,937
Deferred tax assets - net	9	57,377,814	21,695,041
Total non-current assets		5,605,520,054	5,107,485,882
Current assets			
Current portion of diminishing musharika	5.4	2,073,545,076	1,476,958,150
Ijarah rentals receivable	10	33,710,624	69,821,374
Advances, deposits, prepayments and other receivables	11	396,635,764	403,523,986
Short term investments	12	159,735,406	350,918,237
Cash and bank balances	13	604,579,710	329,627,579
Total current assets		3,268,206,580	2,630,849,326
TOTAL ASSETS		8,873,726,634	7,738,335,208
EQUITY AND LIABILITIES			
CERTIFICATE HOLDERS' EQUITY			
Certificate capital			
Authorised certificate capital			
50,000,000 (2024: 50,000,000) certificates of Rs. 10 each		500,000,000	500,000,000
Issued, subscribed, and paid-up certificate capital			
45,383,530 (2024: 45,383,530) certificates of Rs. 10 each fully paid	14.1	453,835,300	453,835,300
Capital reserve			
Premium on issue of modaraba certificates		55,384,700	55,384,700
Statutory reserve	14.2	523,503,337	523,503,337
		578,888,037	578,888,037
Revenue reserve			
Unappropriated profit		294,179,147	210,869,362
Total certificate holders' equity		1,326,902,484	1,243,592,699
LIABILITIES			
Non-current liabilities			
Long-term portion of term finance arrangements	15	587,942,472	606,778,716
Long-term portion of security deposits	17	147,484,426	269,719,334
Long-term portion of redeemable capital	20	102,100,000	142,400,000
Long-term portion of lease liability	18	52,411,693	-
Total non-current liabilities		889,938,591	1,018,898,050
Current liabilities			
Current portion of redeemable capital	20	5,531,355,000	4,145,135,000
Current portion of term finance arrangements	15	318,836,244	625,117,384
Running musharika	16	150,000,000	-
Current portion of security deposits	17	131,090,150	130,535,992
Current portion of lease liability	18	7,852,473	-
Accrued and other liabilities	19	366,530,969	458,553,890
Unclaimed profit distribution	33.1	79,892,967	57,602,615
Provision for taxation - net		71,327,756	54,254,047
Advance ijarah rentals received		-	4,645,531
Total current liabilities		6,656,885,559	5,475,844,459
TOTAL LIABILITIES		7,546,824,150	6,494,742,509
TOTAL EQUITY AND LIABILITIES		8,873,726,634	7,738,335,208
CONTINGENCIES AND COMMITMENTS	21		

The annexed notes from 1 to 40 form an integral part of these financial statements.

For OLP Services Pakistan (Private) Limited
Management Company

SD	SD	SD	SD
Chief Executive	Director	Director	Chief Financial Officer

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For The Year Ended June 30, 2025

	Note	June 30, 2025	June 30, 2024
		(Rupees)	
Income from diminishing musharika financing		1,171,413,672	1,143,196,859
Ijarah rentals earned		621,304,803	836,635,253
Dividend income		26,412,073	31,834,774
Profit on bank balances		70,765,232	99,747,038
		1,889,895,780	2,111,413,924
Financial and other charges	22	(955,357,614)	(1,090,503,471)
Depreciation on ijarah assets	6.1	(406,443,657)	(513,098,534)
Impairment on ijarah assets - net	6.1	-	(859,715)
		(1,361,801,271)	(1,604,461,720)
		528,094,509	506,952,204
ECL against ijarah rentals receivable - net	10.1	(9,334,940)	(23,374,475)
ECL (charge) / reversal against diminishing musharika - net	5.3	(43,155,700)	9,974,874
ECL in respect of other receivables	11.6	(323,534)	(610,000)
		(52,814,174)	(14,009,601)
		475,280,335	492,942,603
Other income	23	90,196,954	44,930,007
Administrative and operating expenses	24	(274,443,772)	(274,850,643)
		291,033,517	263,021,967
Management Company's remuneration	25	(29,103,352)	(26,302,197)
Provision for services sales tax on the Management Company's remuneration	26	(4,365,503)	(3,419,286)
Provision for workers' welfare fund - net	19.3	(5,151,293)	(4,666,010)
		252,413,369	228,634,474
Levy - final tax	27	(3,961,811)	(4,775,216)
Profit before taxation		248,451,558	223,859,258
Taxation	28	(74,374,713)	(66,122,071)
Profit for the year after taxation		174,076,845	157,737,187
Other comprehensive income for the year		-	-
Total comprehensive income for the year		174,076,845	157,737,187
Earnings per certificate - basic and diluted	29	3.84	3.48

The annexed notes from 1 to 40 form an integral part of these financial statements.

For OLP Services Pakistan (Private) Limited
Management Company

SD	SD	SD	SD
Chief Executive	Director	Director	Chief Financial Officer

STATEMENT OF CASH FLOWS

For The Year Ended June 30, 2025

	Note	June 30, 2025	June 30, 2024
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		248,451,558	223,859,258
Adjustments for non-cash and other items			
Depreciation on tangible assets in own use	24	7,759,012	8,658,167
Depreciation on right-of-use assets	24	5,738,754	-
Amortisation on intangible assets	24	2,171,464	1,884,051
Depreciation on ijarah assets	6.1	406,443,657	513,098,534
Gain on disposal of ijarah assets	23	(55,130,794)	(3,673,052)
Gain on disposal of tangible assets	23	-	(92,061)
Impairment on ijarah assets - net	6.1	-	859,715
ECL against ijarah rentals receivable - net	10.1	9,334,940	23,374,475
ECL in respect of other receivables	11.6	323,534	610,000
ECL (charge) / reversal against diminishing musharika - net	5.3	43,155,700	(9,974,874)
Profit on bank balances		(70,765,232)	(99,747,038)
Levy	27	3,961,811	4,775,216
Financial charges on			
- Return on redeemable capital expensed	22	670,420,207	721,694,359
- Return on running musharika expensed	22	13,973,845	-
- Amortisation of lease liability against right-of-use assets	22	3,207,779	-
- Return on term finance arrangements expensed	22	178,198,412	292,451,443
Provision for services sales tax on the Management Company's remuneration		4,365,503	3,419,286
Provision for Workers' Welfare Fund - net		5,151,293	4,666,010
		1,228,309,885	1,462,004,231
		1,476,761,443	1,685,863,489
(Increase) / decrease in assets			
Advances, deposits, prepayments and other receivables		(1,599,610)	(235,835,591)
Ijarah rentals receivable		26,775,810	10,563,197
Short term investments		191,182,831	(227,059,556)
Diminishing musharika		(1,568,733,969)	(1,004,688,662)
Purchase of assets under Ijarah arrangements	6.1	(469,968,805)	(354,420,624)
Proceeds from disposal of assets under Ijarah arrangements		641,568,761	212,043,208
		(1,180,774,982)	(1,599,398,028)
Increase / (decrease) in liabilities			
Accrued and other liabilities		23,986,851	14,503,913
Advance ijarah rentals received		(4,645,531)	2,991,658
Security deposits		(121,680,750)	(95,779,952)
		(102,339,430)	(78,284,381)
		193,647,031	8,181,080
Profit paid on			
- Redeemable capital		(742,343,325)	(678,714,448)
- Term finance arrangements		(225,957,928)	(312,707,665)
		(968,301,253)	(991,422,113)
Payment against Sindh Workers' Welfare Fund		-	(1,999,202)
Taxes and levy paid		(96,945,588)	(49,108,183)
Net cash used in operating activities		(871,599,810)	(1,034,348,418)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of tangible assets		(6,063,653)	(6,348,622)
Purchases of intangible assets		(227,700)	(3,458,056)
Proceeds from disposal of property and equipment in own use		-	98,000
Income received on bank deposits		78,929,530	93,073,850
Net cash generated from investing activities		72,638,177	83,365,172
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from redeemable capital less repayments	33.1	1,345,920,000	1,390,930,000
Lease liability paid		(8,594,360)	-
Term finance less repayments	33.1	(325,117,384)	(418,113,756)
Profit distributed to certificate holders	33.1	(88,294,492)	(92,459,619)
Net cash generated from financing activities		923,913,764	880,356,625
Net increase/ (decrease) in cash and cash equivalents during the year		124,952,131	(70,626,621)
Cash and cash equivalents at the beginning of the year		329,627,579	400,254,200
Cash and cash equivalents at the end of the year	33	454,579,710	329,627,579

The annexed notes from 1 to 40 form an integral part of these financial statements.

For OLP Services Pakistan (Private) Limited
Management Company

SD	SD	SD	SD
Chief Executive	Director	Director	Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

For The Year Ended June 30, 2025

	Issued, subscribed and paid-up certificate capital (note 14.1)	Capital reserve			Revenue reserve	Total reserves	Total
		Premium on issue of modaraba certificates	Statutory reserve (note 14.2)	Sub-total	Unappropria-ted profit		
	(Rupees)						
Balance as at June 30, 2023	453,835,300	55,384,700	523,503,337	578,888,037	143,899,235	722,787,272	1,176,622,572
Total comprehensive income for the year							
- Profit for the year ended June 30, 2024	-	-	-	-	157,737,187	157,737,187	157,737,187
- Other comprehensive income for the year	-	-	-	-	-	-	-
	-	-	-	-	157,737,187	157,737,187	157,737,187
Transactions with owners							
Contributions and distributions							
Profit distribution for the year ended June 30, 2023 @ Rs 2.00 per certificate declared subsequent to the year end	-	-	-	-	(90,767,060)	(90,767,060)	(90,767,060)
Balance as at June 30, 2024	453,835,300	55,384,700	523,503,337	578,888,037	210,869,362	789,757,399	1,243,592,699
Total comprehensive income for the year							
- Profit for the year ended June 30, 2025	-	-	-	-	174,076,845	174,076,845	174,076,845
- Other comprehensive income for the year	-	-	-	-	-	-	-
	-	-	-	-	174,076,845	174,076,845	174,076,845
Transactions with owners							
Contributions and distributions							
Profit distribution for the year ended June 30, 2024 @ Rs 2.00 per certificate declared subsequent to the year end	-	-	-	-	(90,767,060)	(90,767,060)	(90,767,060)
	-	-	-	-	-	-	-
Balance as at June 30, 2025	453,835,300	55,384,700	523,503,337	578,888,037	294,179,147	873,067,184	1,326,902,484

The annexed notes from 1 to 40 form an integral part of these financial statements.

For OLP Services Pakistan (Private) Limited
Management Company

SD	SD	SD	SD
Chief Executive	Director	Director	Chief Financial Officer

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2025

1. STATUS AND NATURE OF BUSINESS

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

OLP Financial Services Pakistan Limited exercises full control in OLP Modaraba through the fully owned management company and an aggregate holding of 20% stake in the certificates of Modaraba (10% directly and 10% indirectly through Modaraba Management Company).

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

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

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

The requirement for an external shariah audit becomes effective and applicable for the period ending on or after June 30, 2025, pursuant to S.R.O. 1861(I)/2024 dated November 14, 2024. The Modaraba has engaged Grant Thornton Anjum Rahman, Chartered Accountants, as its external shariah auditor to conduct the shariah audit for the year ended June 30, 2025.

The Modaraba engages solely in shariah-compliant activities and does not conduct any conventional transactions. The details of shariah-compliant activities are mentioned below:

- Term finance arragements (refer note 15)
- Cash and bank balances (refer note 13)
- Profit on bank balances (refer Profit and Loss)
- Income from diminishing musharika arrangements & ijarah rentals earned (refer Profit and Loss)
- Dividend income (refer Profit and Loss)
- Return on term finance arrangements expensed (refer note 22)
- Relationship with Shariah compliant banks (refer note 13.4)

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) 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 (ICAP) 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; and

- Provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP) under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Companies Act, 2017.

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

2.2 Islamic Financial Accounting Standard (IFAS) 2 'Ijarah' issued by the Institute of Chartered Accountants of Pakistan (ICAP) 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 Muj'ir is required to distinguish these Ijarah assets from 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.

The SECP, vide its letter No. SC/ M/ RW/ SCM /2009 dated March 9, 2009, allowed that in case of Modarabas, IFAS 2 shall be applied for ijarah transactions executed on or after July 1, 2008. Accordingly, the Modaraba has accounted for Ijarah transactions executed before July 01, 2008 as finance leases and has treated the Ijarah transactions executed on or after July 01, 2008 in accordance with the requirements of IFAS 2.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost, convention except for certain investments which are carried at market value.

2.4 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Modaraba operates. The financial statements are presented in Pakistani rupees, unless otherwise stated, which is the Modaraba's functional and presentation currency.

2.5 ACCOUNTING ESTIMATES AND JUDGEMENTS AND REVENUE RECOGNITION

2.5.1 Use of estimates and judgments

The preparation of the 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. It also requires the management to exercise judgments in application of the Modaraba's accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods. The areas where various assumptions and estimates are significant to the Modaraba's financial statements or where judgments were exercised in the application of accounting policies are as follows:

i) estimates of residual values, useful lives, depreciation and amortisation methods of property and equipment, intangible assets and ijarah assets (notes 7, 8, and 6);

ii) classification, valuation and impairment of financial asset (note 4.2);
iii) provision for Sindh Workers' Welfare Fund (note 19.3);
iv) provision for services sales tax on the Management Company's remuneration (note 26);
v) provision for levy and taxation (notes 4.10, 27, and 28);
vi) impairment of non-financial assets (note 4.4); and
vii) right-of-use assets and lease liabilities (note 4.6.2 & 4.9).

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

In the year 2024, the Securities and Exchange Commission of Pakistan (SECP) vide S.R.O. 67 (I)/2024 dated January 24, 2024 amended the Modaraba Regulations, whereby after adoption and implementation of IFRS 9 by the Modaraba, the requirements of IFRS 9 will be applicable for the recognition of provision against diminishing musharaka and ijarah receivable, which were previously recognized on the basis of "Accounting Guidelines Application of IFRS 9 by Modarabas", issued by Institute of Chartered Accountant of Pakistan (ICAP).

As per the subsequent measurement requirement of IFRS 9, profit on credit-impaired contracts is accrued by applying effective profit rate to the amortised cost (i.e., principal outstanding less provision) of the diminishing musharika, in which the fee that is an integral part of the contract (i.e., front-end fee) is inclusive at initial recognition. The Modaraba has now calculated its income on credit impaired contracts and the front-end fee based on effective profit rate and has amortised the income and the front-end fee over the life of the contract.

Previously, the profit was suspended when the rental of client was overdue by more than 90 days, as per the requirements of the Modaraba regulations, and the front-end fee was recorded on receipt basis as disclosed in note 4.10 of financial statements for the year ended June 30, 2024.

The profit 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 of Rs. 10.2 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 period which is as follows:"

	(Rupees)
Decrease in income on ijarah and diminishing musharika - net	(18,234,462)
Management Company's remuneration	1,823,446
Provision for services sales tax on the Management Company's remuneration	273,517
Provision for Sindh Workers' Welfare Fund	364,689
	(15,772,810)
Taxation	5,520,483
Impact - net of tax	(10,252,326)

3. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS

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

There are certain amendments to published accounting and reporting standards that are mandatory for the Modaraba's accounting period beginning on July 1, 2024, but are considered not to be relevant or do not have any significant impact on the Modaraba's operations and are, therefore, not detailed in these financial statements.

3.2 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

3.2.1 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 1 July 2025:

- 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 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 company to derecognize its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

- the settlement risk associated with the electronic payment system is insignificant.

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

- 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.

- 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 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.

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 'Income Statement' with certain additional disclosures in the financial statements.

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

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Modaraba's accounting periods beginning on or after July 1, 2025 but are considered not to be relevant or will not have any significant effect on the Modaraba's operations and are, therefore, not detailed in these financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and deposits held with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and include investments in securities with original maturity of less than 3 months, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

4.2 Financial instruments

4.2.1 Recognition and initial measurement

Financial assets and financial liabilities are initially recognized when the Modaraba becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

4.2.2 Classification

Financial assets - classification

The Modaraba classifies its financial assets in the following measurement categories:

- at amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL).

The classification requirements for debt instruments are described below:

Based on the business model assessment of the entity and the cash flow characteristics of the asset.

a) At amortised cost

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

b) Fair value through other comprehensive income (FVOCI)

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

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

c) Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Modaraba 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.

Financial assets - assessment whether contractual cash flows are solely payments of principal and interest (SPPI) on principal

In assessing whether the contractual cash flows are solely payments of principal and interest on principal, the Modaraba 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 this assessment, the Modaraba considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Modaraba's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest on principal criterion if the prepayment amount substantially represents unpaid amounts of principal and profit on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual return on principal (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Other financial liabilities, which are not classified as FVTPL, are classified as amortised cost.

4.2.3 Subsequent measurement and gains and losses

Financial assets

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any return on principal or dividend income, are recognized in profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective profit rate method. The amortised cost is reduced by impairment losses. return on principal, foreign exchange gains and losses and impairment are recognized in profit and loss. Any gain or loss on derecognition is recognized in profit and loss.
Financial assets at FVOCI	These assets are subsequently measured at fair value. Return on principal calculated using the effective profit rate method, foreign exchange gains and losses and impairment are recognized in profit and loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit and loss.

Financial liabilities

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any return on dues expensed, are recognized in profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective profit rate method. Return on dues expensed and foreign exchange gains and losses are recognized in profit and loss. Any gain or loss on derecognition is also recognized in profit and loss.

4.2.4 Impairment

The Modaraba assesses on a forward-looking basis the Expected Credit Losses (ECL) associated with its debt instruments, and no impairment loss is recognised on equity investments. carried at amortised cost and FVOCI. The Modaraba recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

The Modaraba applies the IFRS 9 general approach to measure Expected Credit Losses (ECL) for ijarah finance and diminishing musharika. A lifetime ECL is recorded on Ijarah finance and diminishing musharika in which there has been Significant Increase in Credit Risk (SICR) from the date of initial recognition and which are credit impaired as on the reporting date. A 12 months ECL is recorded for ijarah finance and diminishing musharika which do not meet the criteria for SICR or "credit impaired" as at the reporting date. To assess whether there is a significant increase in credit risk the Modaraba 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 Modaraba also considers reasonable and supportive forward looking information in determination of ECL. The allowance is increased by provisions charged to statement of profit and loss and is decreased by charge-offs, net of recoveries.

In evaluating the adequacy of ECL, the management considers various factors, including the nature and characteristics of the obligor, current economic conditions, credit concentrations, historical loss experience and delinquencies. The Modaraba does not take any benefit of collateral or credit enhancements in ECL model.

"The impairment requirements apply to financial assets measured at amortized cost. At initial recognition, an impairment allowance is required for expected credit losses ('ECL') resulting from default events that are possible within the next 12 months ('12-month ECL'). In the event of a significant increase in credit risk (SICR), a provision is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL').

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. 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 Modaraba 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;

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows:

• If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

• If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls fromthe existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective profit rate of the existing financial asset.

Non-performing financial assets

At each reporting date, the Modaraba assesses whether financial assets carried at amortised cost, are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'non-performing' 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 facility by the Modaraba on terms that the Modaraba would not consider
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

Based on the requirements of IFRS 9, the Modaraba has performed an ECL assessment considering the following key elements:

- PD: The probability that a counterparty will default over the next 12 months from the reporting date (12- month ECL, Stage1) or over the lifetime of the product (lifetime ECL, Stage 2). PD is estimated using the overdue days. The Modaraba has used Transition Matrix approach for estimation of PD based on overdue days. PD are then adjusted with forward looking information for calculation of ECL.

- EAD: The expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortisation, pre-payments and forward-looking information where relevant. The Modaraba estimates EAD for financial assets carried at an amortised cost and carried at cost equal to principal plus markup. Each repayment date is assumed to be default point in the model and the ECL is calculated on EAD at each reporting date and discounted at the effective profit rate or contractual profit rate for Diminishing musharika and Ijarah.

- LGD: An estimate of the loss incurred on a facility upon default by a borrower. LGD is calculated as the difference between contractual cash flows due and those that the Modaraba expects to receive. It is expressed as a percentage of the exposure outstanding on the date of classification of an obligor.

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

Loss allowances for ECL are presented in the statement of financial position as financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets.

Write-off

Loans and debt securities 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 Modaraba 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 statement of profit and loss and other comprehensive income. A financial assets that are written off could still be subject to enforcement activities in order to comply with the Modaraba's procedures for recovery of amounts due.

4.2.5 Derecognition

Financial assets

The Modaraba derecognizes 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 Modarba neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Modaraba enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Modaraba derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Modarba also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit and loss.

4.2.6 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Modaraba currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

4.2.7 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 Modaraba commits to purchase or sell the asset.

4.2.8 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.

4.3 Redeemable capital

The Modaraba offers only one deposit product, "Certificates of Musharika (COM)" under a scheme duly approved by the SECP 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 SECP in its "Guidelines for Issue of Certificates of Musharika for Modarabas" (the Guidelines) issued on September 7, 1994.

As per 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 the Management Company's remuneration of the Modaraba are shared by the COM holders and the Modaraba in accordance with the 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 Modaraba.

- The amount of profit allocated to the COM holders shall be shared between different category / 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 fund.

4.4 Impairment of non-financial assets

The carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment of any asset or a group of assets. If any such indication exists, the recoverable amount of that asset is estimated.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows i.e., cash-generating units (CGU).

The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. An impairment loss is recognized as an expense in the statement of profit and loss for the amount by which the asset's carrying amount exceeds its recoverable amount. Value in use is ascertained through discounting of the estimated future cash flows using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the assets. The fair value less costs to sell calculation is based on the available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs to sell off the asset.

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 if no impairment loss had been recognised.

4.5 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 (refer note 2.2).

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 statement of profit and loss, in the year in which these arise.

4.6 Property and equipment

4.6.1 Tangible assets in own use

Recognition and measurement

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. If significant parts of an item of tangible assets in own use have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Subsequent expenditure

Subsequent costs are included in the assets' carrying amounts or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Modaraba and the cost of the items can be measured reliably. All other repairs and maintenance expenses are charged to the statement of profit and loss as and when incurred.

Depreciation

Depreciation is charged to the statement of profit and loss on a straight line basis in accordance with the rates specified in note 7 to these financial statements and after taking into account residual values. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. Depreciation is charged on additions from the date the asset is available for use and on disposals upto the date of disposal.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amounts. These are recorded in the statement of profit and loss in the period in which these arise.

4.6.2 Right-of-use assets

The Modaraba recognizes right-of-use asset (ROU asset) at the commencement date of the lease. 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 using 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 Modaraba by the end of the lease term or the cost of the right-of-use asset reflects that the Modaraba 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 tangible assets in own use. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

4.7 Intangible assets

Recognition and measurement

Intangible assets having finite useful life are stated at cost less accumulated amortisation and any impairment in value, if any and amortised on a straight line basis over their useful life as per the rate disclosed in note 8 to these financial statements.

Subsequent expenditure

Subsequent costs are included in the assets' carrying amounts or recognised as separate assets, as appropriate, only when it is probable that the future economic benefits associated with the assets will flow to the Modaraba and the cost of the items can be measured reliably.

Amortisation

Amortisation is charged to the statement of profit and loss using the straight line method in accordance with the rates specified in note 8 to these financial statements.The useful lives and amortisation method are reviewed and adjusted, as appropriate, at each reporting date. Amortisation is charged from the date the asset is available for use while in the case of assets disposed of, it is charged upto the date of disposal.

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

4.8 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and represents expenditure on fixed assets in the course of construction and installation and advances for capital expenditure. Transfers are made to the relevant category of tangible / intangible assets as and when the assets are available for intended use.

4.9 Lease liabilities

At inception of a contract, the Modaraba 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. To assess whether a contract conveys the right to control the use of an identified asset, the Modaraba uses the definition of a lease in IFRS 16.

The Modaraba applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Modaraba recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At commencement or on modification of a contract that contains a lease component, the Modaraba allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

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

The Modaraba determines its incremental borrowing rate by evaluating profit rates from external financing sources and makes certain adjustments, if needed to reflect the terms of the lease and type of the asset leased.

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 Modaraba is reasonably certain to exercise, lease payments in an optional renewal period if the Modaraba is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Modaraba is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective profit rate 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 Modaraba's estimate of the amount expected to be payable under a residual value guarantee, if the Modaraba 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 profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Modaraba applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

4.10 Taxation

Current tax
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of prior years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax
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 / fixed assets / 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 and accordingly have been classified as levy in these financial statements.

4.11 Provisions and contingent liabilities

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

Contingent liabilities are not recognised and are disclosed unless the probability of an outflow of resources embodying economic benefits is remote.

4.12 Staff retirement benefits

The Modaraba operates:

i) a recognised provident fund for all eligible employees; and
ii) an approved defined contribution scheme for all permanent employees.

Defined contribution scheme is payable to employees on completion of the prescribed qualifying period of service under the scheme. Contributions to the provident fund and defined contribution scheme 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 expense in the profit and loss account when these are due.

Investments out of the aforementioned funds have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

4.13 Revenue and other income recognition

- The Modaraba 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.
- Front end fees are taken to the statement of profit and loss on effective profit rate method.
- Dividend income is recognised when the Modaraba's right to receive dividend is established.
- 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.
- Gains / losses on disposal of tangible assets are recognised as income / expense as the difference between the proceeds realised from the customers on sale of tangible assets and the net book value at which such assets are carried at the time of disposal.

Profit

i. Effective profit rate

Profit income is recognised in 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 Modaraba 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.

4.14 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.

4.15 Earnings per certificate

Basic earnings per certificate is calculated by dividing the profit after taxation for the year by the weighted average number of certificates outstanding during the year. Diluted earnings per certificate is determined by adjusting the profit and loss attributable to ordinary certificate holders by taking into account the effects of all dilutive potential ordinary certificates outstanding during the period.

Ordinary certificates are classified as equity and are recorded at their face value. Incremental costs directly attributable to the issue of new certificates or options are shown in equity as a deduction, net of tax, from the proceeds.

5. DIMINISHING MUSHARIKA

	Note	June 30, 2025	June 30, 2024
		(Rupees)	
Staff - considered good			
- Housing finance		18,181,799	27,194,267
- Motor vehicles		10,710,900	25,574,735
- Others		1,154,063	2,318,307
	5.2	30,046,762	55,087,309
Others - considered good			
- Housing finance		308,362,179	344,597,081
- Motor vehicles		3,241,336,652	2,168,128,409
- Plant, machinery and equipment		3,154,647,116	2,599,509,352
		6,704,345,947	5,112,234,842
Others - considered bad or doubtful			
- Housing finance		4,373,768	3,693,976
- Motor vehicles		16,880,285	16,267,635
- Plant, machinery and equipment		155,253,307	154,882,338
		176,507,360	174,843,949
Less: Allowance for ECL against diminishing musharika	5.3	(100,742,343)	(57,586,643)
Others - net of ECL Allowance		6,780,110,964	5,229,492,148
		6,810,157,726	5,284,579,457

5.1 Staff balances above represent finance provided to employees, officers and key management personnel of the Modaraba under diminishing musharaka arrangement for renovation, construction and purchase of house, purchase of vehicles and other consumer durables. These carry profit at the effective rates ranging from 0% to 14.35% (2024: 0% to 21.94%) per annum and are repayable on monthly basis over a maximum period of 20 years (2024: 20 years).

5.1.1 Staff balances above, includes diminishing musharika facility availed by key management personnel as per employment terms, with respect to housing finance, motor vehicles and personal finance amounting to Rs. 2.22 million (2024: Rs. 9.03 million), Rs. 3.40 million (2024: Rs 9.20 million) and Rs. 0.30 million (2024: Rs. 0.25 million) respectively. These are secured against diminishing musharika assets.

5.2 Reconciliation of carrying amounts of finance provided to employees and officers under diminishing musharika arrangement

	June 30, 2025	June 30, 2024
	(Rupees)	
Opening balance	55,087,309	138,827,401
Disbursements during the year	4,245,000	16,037,007
Net movement from 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)
Receipts during the year	(11,056,889)	(12,849,120)
Closing balance	30,046,762	55,087,309

5.3 Movement in ECL allowance against diminishing musharika

	Note	June 30, 2025	June 30, 2024
		(Rupees)	
Opening balance		57,586,643	67,561,517
Charge / (reversal) during the year - net		43,155,700	(9,974,874)
Closing balance		100,742,343	57,586,643

5.4 Break-up of diminishing musharika between long-term and current portion is as follows:

Current portion of diminishing musharika		2,123,532,848	1,520,573,850
Less: ECL allowance	5.8	(49,987,772)	(43,615,700)
		2,073,545,076	1,476,958,150
Long-term portion of diminishing musharika		4,787,367,221	3,821,592,250
Less: ECL allowance	5.8	(50,754,571)	(13,970,943)
		4,736,612,650	3,807,621,307

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

5.6 Diminishing musharika includes Rs 176.51 million (2024: Rs 174.84 million) which have been placed under non-performing status. The details of category of classification of these assets are given in note 5.9 to these financial statements.

5.7 Diminishing musharika carries profit at the rate ranging between 12.81% to 26.19% (2024: 21.07% to 27.49%) per annum.

5.8 The table below presents information on the stages of ECL allowance related to diminishing musharika financing:

	June 30, 2025		June 30, 2024	
	Rs. In '000		Rs. In '000	
	Amount Outstanding	Expected Credit Loss Allowance	Amount Outstanding	Expected Credit Loss Allowance
Stage 1	6,403,384,253	4,476,308	4,808,765,939	3,283,926
Stage 2	460,427,436	6,117,442	432,551,940	5,929,517
Stage 3	204,266,615	90,148,593	100,848,221	48,373,200
	7,068,078,304	100,742,343	5,342,166,100	57,586,643

5.8.1 Specific provision of Rs. 44.99 million (June 30, 2024: Rs. 21.80 million), based on Modaraba Regulation 2021, has been made in certain staged parties / specific borrowers within certain sectors arising from specific macroeconomic variables, such as energy, depressed demand and escalating financial stress, which have significantly affected those sectors. These factors are not fully captured in the modelled outcomes. The Modaraba will continuously assess the appropriateness of this specific allowance in light of the evolving situation.

5.9 An analysis of change in allowance for ECL in relation to diminishing musharaka financing is as follows:

	June 30, 2025			
	(Rupees)			
	Stage 1	Stage 2	Stage 3	Total
Opening balance	3,283,926	5,929,517	48,373,200	57,586,643
Charge for the year	1,192,382	187,925	41,775,393	43,155,700
Closing balance	4,476,308	6,117,442	90,148,593	100,742,343

	June 30, 2024			
	(Rupees)			
	Stage 1	Stage 2	Stage 3	Total
Opening balance	6,970,140	1,785,700	58,805,677	67,561,517
(Reversal) / charge for the year	(3,686,214)	4,143,817	(10,432,477)	(9,974,874)
Closing balance	3,283,926	5,929,517	48,373,200	57,586,643

6 IJARAH ASSETS

	Note	June 30, 2025	June 30, 2024
		(Rupees)	
Ijarah contracts - accounted for under IFAS 2	6.1	736,741,555	1,259,654,374

6.1 Assets under ijarah arrangements

The following is a statement of ijarah assets:

	Note	June 30, 2025		
		Ijarah assets		
		Plant, machinery and equipment	Motor vehicles	Total
		(Rupees)		
At July 1, 2024				
Cost		2,400,056,439	172,035,450	2,572,091,889
Accumulated depreciation		(1,203,738,031)	(94,415,529)	(1,298,153,560)
Impairment against ijarah assets		(13,361,240)	(922,715)	(14,283,955)
Net book value		1,182,957,168	76,697,206	1,259,654,374
Additions		387,968,805	82,000,000	469,968,805
Disposals				
Cost		(1,160,912,510)	(169,781,000)	(1,330,693,510)
Depreciation		660,113,875	84,141,668	744,255,543
		(500,798,635)	(85,639,332)	(586,437,967)
Depreciation charge for the year		(380,326,351)	(26,117,306)	(406,443,657)
Impairment during the year		-	-	-
Closing net book value		689,800,987	46,940,568	736,741,555
At June 30, 2025				
Cost		1,627,112,734	84,254,450	1,711,367,184
Accumulated depreciation		(923,950,507)	(36,391,167)	(960,341,674)
Impairment against ijarah assets	10.4	(13,361,240)	(922,715)	(14,283,955)
Net book value		689,800,987	46,940,568	736,741,555
Depreciation rate (% per annum)		16.67% to 50%	16.67% to 50%	

	Note	June 30, 2024		
		Ijarah assets		
		Plant, machinery and equipment	Motor vehicles	Total
		(Rupees)		
At July 1, 2023				
Cost		2,930,953,896	320,512,750	3,251,466,646
Accumulated depreciation		(1,418,872,518)	(191,607,733)	(1,610,480,251)
Impairment against ijarah assets		(12,949,261)	(474,979)	(13,424,240)
Net book value		1,499,132,117	128,430,038	1,627,562,155
Additions		354,420,624	-	354,420,624
Disposals				
Cost		(885,318,081)	(148,477,300)	(1,033,795,381)
Depreciation		700,597,104	124,828,121	825,425,225
		(184,720,977)	(23,649,179)	(208,370,156)
Depreciation charge for the year		(485,462,617)	(27,635,917)	(513,098,534)
Impairment during the year		(411,979)	(447,736)	(859,715)
Closing net book value		1,182,957,168	76,697,206	1,259,654,374
At June 30, 2024				
Cost		2,400,056,439	172,035,450	2,572,091,889
Accumulated depreciation		(1,203,738,031)	(94,415,529)	(1,298,153,560)
Impairment against ijarah assets	10.4	(13,361,240)	(922,715)	(14,283,955)
Net book value		1,182,957,168	76,697,206	1,259,654,374
Depreciation rate (% per annum)		16.67% to 50%	16.67% to 50%	

6.2 The Modaraba 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.

6.3 Contractual rentals receivable

	June 30, 2025				June 30, 2024			
	Not later than one year	Later than one year and less than five years	Later than five years	Total	Not later than one year	Later than one year and less than five	Later than five years	Total
	(Rupees)							
Rentals receivable	154,217,577	629,325,966	-	783,543,543	709,600,101	837,500,024	-	1,547,100,125
Residual value	130,909,764	147,450,032	-	278,359,796	133,687,998	266,352,552	-	400,040,550
Total future ijarah payments receivable	285,127,341	776,775,998	-	1,061,903,339	843,288,099	1,103,852,576	-	1,947,140,675

6.4 Ijarah includes Rs. 102.28 million (2024: Rs. 99.68 million) which have been placed under non-performing status (refer note 10.4). The details of category of classification of these assets are given in note 31.6.2 to these financial statements.

6.5 During the year, the Modaraba has not availed the benefit of forced sale value of assets held as collateral against non-performing ijarah as allowed under the Modaraba Regulations, 2021 issued by the SECP.

	Note	June 30, 2025	June 30, 2024
7 PROPERTY AND EQUIPMENT		(Rupees)	
Tangible assets in own use	7.1 & 7.2	13,050,869	14,746,223
Right-of-use assets	7.1	59,911,993	-
		72,962,862	14,746,223

7.1 The following is a statement of property and equipment:

	June 30, 2025					
	Tangible assets					Right-of-use assets - office buildings (note 18.1)
	Lease hold improvements	Furniture and fittings	Office equipment, appliances and computer systems	Motor vehicles	Total	
	(Rupees)					
At July 1, 2024						
Cost	12,859,117	8,767,406	42,822,238	6,520,400	70,969,161	-
Accumulated depreciation	(12,345,084)	(7,754,830)	(33,858,274)	(2,264,750)	(56,222,938)	-
Net book value	514,033	1,012,576	8,963,964	4,255,650	14,746,223	-
Additions	-	-	6,063,657	-	6,063,657	65,650,747
Disposals						
Cost	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
	-	-	-	-	-	-
Depreciation charge for the year	(220,296)	(227,820)	(6,877,251)	(433,644)	(7,759,011)	(5,738,754)
Closing net book value	293,737	784,756	8,150,370	3,822,006	13,050,869	59,911,993
At June 30, 2025						
Cost	12,859,117	8,767,406	48,885,895	6,520,400	77,032,818	65,650,747
Accumulated depreciation	(12,565,380)	(7,982,650)	(40,735,525)	(2,698,394)	(63,981,949)	(5,738,754)
Net book value	293,737	784,756	8,150,370	3,822,006	13,050,869	59,911,993
Depreciation rate (% per annum)	33.33%	15.00%	20% - 33.33%	20% - 25%		

	June 30, 2024					
	Tangible assets					Right-of-use assets - office buildings (note 18.1)
	Lease hold improvements	Furniture and fittings	Office equipment, appliances and computer systems	Motor vehicles	Total	
	(Rupees)					
At July 1, 2023						
Cost	12,198,211	8,279,748	38,494,154	6,520,400	65,492,513	-
Accumulated depreciation	(11,607,562)	(7,551,394)	(27,440,745)	(1,831,105)	(48,430,806)	-
Net book value	590,649	728,354	11,053,409	4,689,295	17,061,707	-
Additions	660,906	487,658	5,200,058	-	6,348,622	-
Disposals						
Cost	-	-	(871,974)	-	(871,974)	-
Depreciation	-	-	866,035	-	866,035	-
	-	-	(5,939)	-	(5,939)	-
Depreciation charge for the year	(737,522)	(203,436)	(7,283,564)	(433,645)	(8,658,167)	-
Closing net book value	514,033	1,012,576	8,963,964	4,255,650	14,746,223	-
At June 30, 2024						
Cost	12,859,117	8,767,406	42,822,238	6,520,400	70,969,161	-
Accumulated depreciation	(12,345,084)	(7,754,830)	(33,858,274)	(2,264,750)	(56,222,938)	-
Net book value	514,033	1,012,576	8,963,964	4,255,650	14,746,223	-
Depreciation rate (% per annum)	33.33%	15.00%	20% - 33.33%	20% - 25%		

7.2 Included in the cost of tangible assets in own use are fully depreciated items which are still in use aggregating to Rs. 51.84 million (2024: Rs. 38.29 million).

7.3 Details of disposal of property and equipment are as follows:

Particulars	Cost of assets	Accumulated depreciation	Carrying value	Sales proceeds	Gain / (loss) on	Mode of disposal	Purchaser	Relationship with the purchaser
	(Rupees)							
2025	-	-	-	-	-	-	-	-
2024								
	871,974	866,035	5,939	98,000	92,061	Negotiation	Fida Cleaning and Al Hamd	None

8 INTANGIBLE ASSETS

	Note	June 30, 2025	June 30, 2024
		(Rupees)	
Softwares	8.1 & 8.2	1,825,173	3,768,937

	June 30, 2025	June 30, 2024
8.1 Opening balance	(Rupees)	
Cost	37,243,330	33,785,274
Accumulated amortisation	(33,474,393)	(31,590,342)
Net book value	3,768,937	2,194,932
Additions during the year	227,700	3,458,056
Disposals		
Cost	-	-
Accumulated amortisation	-	-
	-	-
Amortisation charge for the year	(2,171,464)	(1,884,051)
Closing net book value	1,825,173	3,768,937
Closing balance		
Cost	37,471,030	37,243,330
Accumulated amortisation	(35,645,857)	(33,474,393)
Net book value	1,825,173	3,768,937
Rate of amortisation	33.33%	33.33%

8.2 Included in the cost of intangible assets use are fully amortised items which are still in use aggregating to Rs. 30.89 million (2024: Rs. 30.89 million).

9 DEFERRED TAX ASSETS - NET	As at July 1, 2024	Recognised in profit and loss	Recognised in OCI	As at June 30, 2025
	(Rupees)			
Deductible temporary differences:				
- Ijarah assets	8,325,845	15,529,862	-	23,855,707
- Property and equipment	3,393,680	183,403	-	3,577,083
- Intangible assets	3,404,369	(715,928)	-	2,688,441
- Right of use assets	-	1,893,788	-	1,893,788
- ECL allowance in respect of Ijarah financing and diminishing musharakah	421,030	17,428,677	-	17,849,707
- Provision for SWWF	4,072,987	1,699,928	-	5,772,915
- Provision for SST on Management Company remuneration	2,619,106	1,440,616	-	4,059,722
	22,237,017	37,460,346	-	59,697,363
Taxable temporary differences:				
- Staff loans	(541,976)	-	-	(541,976)
- Lease liabilities	-	(1,777,573)	-	(1,777,573)
	(541,976)	(1,777,573)	-	(2,319,549)
	21,695,041	35,682,773	-	57,377,814

	Note	June 30, 2025	June 30, 2024
9.1 Reconciliation of deferred tax assets		(Rupees)	
Deferred tax assets - opening balance		21,695,041	118,347,633
Current year recognised through the profit and loss account		35,682,773	(25,130,940)
Prior year recognised through the profit and loss account		-	(71,521,652)
Deferred tax assets - closing balance		57,377,814	21,695,041

10 IJARAH RENTALS RECEIVABLE

Ijarah rentals receivable - considered good - secured		41,025,963	70,438,166
Ijarah rentals receivable - considered bad or doubtful		56,179,437	69,827,777
		97,205,400	140,265,943
Less: allowance for ECL on ijarah rentals receivable	10.1	(63,494,776)	(54,159,836)
Less: suspended profit		-	(16,284,733)
		33,710,624	69,821,374

10.1 Allowance for ECL on ijarah rentals receivable

Opening balance		54,159,836	30,785,361
Charge for the year		9,334,940	23,374,475
Closing balance	10.4	63,494,776	54,159,836

10.2 Ijarah includes Rs. 102.28 million (2024: Rs. 99.68 million) which have been placed under non-performing status. The details of category of classification of these assets are given in note 31.6.2 to these financial statements.

10.3 During the year, the Modaraba has not availed the benefit of forced sale value of assets held as collateral against non-performing ijarah as allowed under the Modaraba Regulations, 2021 issued by the SECP.

10.4 The following table sets out information about the ECL allowance of ijarah rentals receivable:

		June 30, 2025		June 30, 2024	
Ijarah	Note	Outstanding principal	ECL allowance	Outstanding principal	ECL allowance
		(Rupees)		(Rupees)	
Stage 1		519,124,456	279,548	1,009,532,160	616,792
Stage 2		46,139,020	208,320	-	-
Stage 3		102,282,812	77,290,863	99,679,935	67,826,999
	10.4.1	667,546,288	77,778,731	1,109,212,095	68,443,791
Less: impairment on ijarah assets6.1	6.1	-	(14,283,955)	-	(14,283,955)
		667,546,288	63,494,776	1,109,212,095	54,159,836

10.4.1 Specific provision of Rs. 22.11 million (June 30, 2024: Rs. 40.52 million), based on Modaraba Regulation 2021, has been made in certain staged parties / specific borrowers within certain sectors arising from specific macroeconomic variables, such as energy, depressed demand and escalating financial stress, which have significantly affected those sectors. These factors are not fully captured in the modelled outcomes. The Modaraba will continuously assess the appropriateness of this specific allowance in light of the evolving situation.

10.4.2 Expected credit losses are recorded on exposure at default which consists of future cashflows that the Modaraba is entitled to receive through out the contract period. While ijarah receivable is only recorded for the amount accrued at period end. Therefore if the ECL amount exceeds the ijarah receivable recorded, it is recognised as impairment of ijarah asset. There has been no change in the impairment on ijarah assets during the year ended June 30, 2025.

10.4.3 An analysis of change in allowance for ECL in relation to ijarah financing is, as follows:

	June 30, 2025			
	(Rupees)			
	Stage 1	Stage 2	Stage 3	Total
Opening balance	616,793	-	53,543,043	54,159,836
(Reversal) / charge for the year	(337,245)	208,320	9,463,865	9,334,940
Closing balance	279,548	208,320	63,006,908	63,494,776

	June 30, 2024			
	(Rupees)			
	Stage 1	Stage 2	Stage 3	Total
Opening balance	801,567	1,333,479	28,650,315	30,785,361
(Reversal) / charge for the year	(184,774)	(1,333,479)	24,892,728	23,374,475
Closing balance	616,793	-	53,543,043	54,159,836

11 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	June 30, 2025	June 30, 2024
		(Rupees)	
Considered good			
Advances			
Advances against assets under ijarah arrangements	11.1	15,065,134	92,013,134
Advances against assets under diminishing musharika arrangements	11.1	171,554,442	106,002,498
		186,619,576	198,015,632
Deposits		1,063,000	1,063,000
Prepayments			
Prepaid commission for the sale of Certificates of Musharika (COM)	11.2	20,470,090	19,603,067
Prepayment related to staff loan	11.3	40,707,471	80,993,115
Other prepayments		10,165,727	3,511,665
		71,343,288	104,107,847
Other receivables			
Receivable from former employees	11.7 & 11.8	74,454,901	-
Accrued profit on diminishing musharika	11.4 & 11.5	59,338,787	87,421,726
Accrued profit on deposit accounts		3,678,773	11,843,071
Others		137,439	1,072,710
		137,609,900	100,337,507
Considered doubtful			
Others		1,139,734	816,200
Provision for impairment loss against doubtful recoveries	11.6	(1,139,734)	(816,200)
		-	-
		396,635,764	403,523,986

11.1 These represent 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.

11.2 Commission in respect of the sale of COMs is being amortised over the maturity period.

11.3 The prepayment related to staff loan is amortised on a straight line basis over the term of the loan.

11.4 This includes accrued profit from diminishing musharika related to key management personnel amounting to Rs. 0.02 million (2024: Rs. 0.11 million).

11.5 Accrued profit on diminishing musharika is as follows:

	June 30, 2025	June 30, 2024
	(Rupees)	
Accrued profit on diminishing musharika	59,338,787	111,935,026
Less: suspended profit	-	(24,513,300)
Closing balance	59,338,787	87,421,726

11.6 Movement in allowance for ECL during the year is as follows:

Opening balance	816,200	206,200
Charge for the year	323,534	610,000
Closing balance	1,139,734	816,200

11.7 During the year, certain irregularities were identified in the profit disbursement process of the Modaraba relating to changes in certificate 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 profit distribution during the current year. (refer note 33.1).

11.8 This includes an amount of Rs. 54.4 million relating to an erroneous bank transfer recorded on June 27, 2025, by the Modaraba. The transaction was subsequently rectified, and the full amount was reimbursed to the Modaraba's account on July 4, 2025.

	Note	June 30, 2025	June 30, 2024
12 SHORT TERM INVESTMENTS		(Rupees)	
At fair value through profit or loss			
Investment in mutual funds	12.1	159,735,406	350,918,237

12.1 Following is the break-up of investment of mutual funds:

Name of investee fund	As at July 01, 2024	Dividend reinvest / Bonus	Redemption during the year	As at June 30, 2025	As at June 30, 2024	As at June 30, 2025			As at June 30, 2024 Market value
						Carrying value	Market value	Unrealised gain on revaluation of financial assets at fair value through P/L	
	(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	127,829,380
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

13 CASH AND BANK BALANCES

	Note	June 30, 2025	June 30, 2024
		(Rupees)	
Balances with banks			
- in current accounts		14,144,315	2,182,067
- in deposit accounts	13.1	589,909,805	327,267,470
Balance with the State Bank of Pakistan		338,893	68,342
Cash in hand		186,697	109,700
		604,579,710	329,627,579

13.1 These carry profit at the rates ranging between 5% to 19% (2024: 10.82% to 20.50%) per annum.

13.2 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.

13.3 During the year, the Company redeemed its investments in mutual funds, and the proceeds were deposited into bank accounts, resulting in a significant increase in cash and bank balances.

13.4 The following information (list of Banks and Financial Institutions with which the Modaraba has a relationship with Islamic window of operations) has been disclosed as required under the Companies Act, 2017;

Bank Name

- Standard Chartered Bank - Sadiq
- Meezan bank Limited
- United Bank Limited - Ameen
- Allied Bank Limited - Aitebar
- Al-Baraka Bank Limited
- Dubai Islamic Bank
- Bank Alfalah Limited
- Bank Al Habib Limited
- Bank Islami Pakistan Limited
- Habib Bank Limited
- MCB Islamic Bank Limited
- State Bank Of Pakistan
- Habib Metro Bank - Sirat

14 CERTIFICATE CAPITAL AND STATUTORY RESERVE

Certificate capital

14.1 Issued, subscribed and paid-up certificate capital

June 30, 2025	June 30, 2024		June 30, 2025	June 30, 2024
(Number of certificates)			(Rupees)	
		Authorised certificate capital		
50,000,000	50,000,000	Modaraba certificates of Rs. 10 each	500,000,000	500,000,000
		Issued, subscribed and paid-up capital		
28,500,000	28,500,000	Modaraba certificates of Rs. 10 each fully paid in cash	285,000,000	285,000,000
16,883,530	16,883,530	Issued as fully paid bonus certificates	168,835,300	168,835,300
45,383,530	45,383,530		453,835,300	453,835,300

14.1.1 Ordinary shares of the Modaraba held by related parties as at year end are as follows:

	June 30, 2025		June 30, 2024	
	(Percentage of holding)	(Number of certificates)	(Percentage of holding)	(Number of certificates)
OLP Services Pakistan (Private) Limited (the Management Company)	10.00%	4,538,353	10.00%	4,538,353
OLP Financial Services Pakistan Limited (the Holding Company)	10.00%	4,538,353	10.00%	4,538,353
Mr. Shaheen Amin (CEO of OLP Financial Services Pakistan Limited Parent Company Ex-Chairman of the Board of the Management Company)	0.22%	100,000	0.22%	100,000
Mr. Nadim D. Khan (a director of the Management Company)	0.01%	6,049	0.01%	6,049

14.1.2 There are no agreements with certificate holders for voting rights, board selection, rights of first refusal, and block voting.

14.2 Statutory reserve

The Statutory reserve represents profits set aside as per the Modaraba Regulations, 2021 issued by the SECP. These regulations also require that, if minimum equity requirements are applicable on any Modaraba (financial services) and are not compliant, such Modarabas may create a reserve fund and the same shall be credited an amount equivalent to one hundred percent of its annual after-tax profit till such time the minimum equity requirements are complied with. The minimum equity requirement is applied on the Modaraba. No charge is required in the current year as the Modaraba has complied with the minimum equity requirement of Rs. 500 million.

15 TERM FINANCE ARRANGEMENTS

	Note	June 30, 2025	June 30, 2024
		(Rupees)	
Musharika / wakala finance from islamic financial institutions	15.1 & 15.3	906,778,716	1,231,896,100
Less: current portion of term finance arrangements		(318,836,244)	(625,117,384)
Long-term portion of term finance arrangements		587,942,472	606,778,716

15.1 Musharika / wakala finance

Name of Bank	Facility limit June 30, 2025	Facility limit June 30, 2024	Frequency of profit payment	Tenor June 30, 2025	Tenor June 30, 2024	'Balance outstanding June 30, 2025	'Balance outstanding June 30, 2024
	(Rupees)					(Rupees)	
Allied Bank Limited - Aiitebar	500,000,000	500,000,000	Quarterly	3-5 years	3-5 years	295,528,720	489,683,204
Pakistan Mortgage Refinance Company Limited	500,000,000	185,962,896	Quarterly	5 years	5 years	30,000,000	185,962,896
Meezan Bank Limited	500,000,000	500,000,000	Quarterly	5 years	5 years	281,249,996	406,250,000
Al Baraka Limited	300,000,000	-	Quarterly	5 years	-	300,000,000	-
United Bank Limited - Ameen	-	300,000,000	Quarterly	3 years	3 years	-	150,000,000
						906,778,716	1,231,896,100

15.2 The aforementioned facilities are secured against exclusive hypothecation over specific movable Ijarah and diminishing musharika assets and the rentals / installments receivable (considered good) now and here after installed or to be installed/ store or located or lying anywhere in Pakistan.

15.3 These carry profit at the rates ranging between 12.08% to 22.77% (2024:19.03% to 23.62%) per annum.

16 RUNNING MUSHARIKA

Name of bank	Note	June 30, 2025	June 30, 2024
		(Rupees)	
MCB Islamic Bank Limited	16.1	150,000,000	-

16.1 This represents Running Musharaka facility of PKR 500 million from MCB Islamic Bank Limited for working capital requirements. The facility is secured against exclusive hypothecation over fixed assets with 25% margin and carries profit at 3-month KIBOR + 0.50% per annum (floor 5%, cap 30%). The facility is renewable annually and repayable from internal cash flows of the Modaraba.

17 SECURITY DEPOSITS

	Note	June 30, 2025	June 30, 2024
		(Rupees)	
Security deposits	17.1	230,985,080	308,813,232
Add: Unearned income	17.2	47,589,496	91,442,094
Less: repayable / adjustable after one year		(147,484,426)	(269,719,334)
Current portion		131,090,150	130,535,992

17.1 These represent amounts received under Ijarah finance, repayable / adjustable at the expiry of the lease period. These are initially recorded at fair value (level 3) and subsequently measured at amortised cost.

17.2 The unearned revenue is amortised on a straight line basis over the term of the lease.

17.3 The fair value is calculated using discounted cashflows technique which considers the present value of expected cashflows using the market rate as it best represents the fair value due to the nature of the tenure of the deposit.

	Note	June 30, 2025	June 30, 2024
18 LEASE LIABILITIES AGAINST RIGHT OF USE ASSETS		(Rupees)	
Balance as at beginning of the year		-	-
Additions during the year		65,650,747	-
Amortisation of lease liability against right-of-use assets	22	3,207,779	-
Payments made during the year		(8,594,360)	-
Balance as at end of the year		60,264,166	-
Less: Current portion of lease liability		(7,852,473)	-
Long term portion of lease liability		52,411,693	-

18.1 During the year, the Modaraba has accounted for lease arrangements pertaining to its offices under IFRS 16 and recorded right of use asset and lease liabilities in the financial statements. The lease term is for a period of five years with quarterly payments subject to annual increment at an agreed rate. These were initially measured at the present value of lease payments, discounted using the Modaraba's incremental borrowing rate that ranges from 12.14% to 13.35% per annum. The lease liabilities are subsequently being measured at amortised cost using the effective profit rate method.

18.2 Details of minimum lease payments

	June 30, 2025		June 30, 2024	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
	(Rupees)		(Rupees)	
Not later than one year	14,963,874	7,852,473	-	-
Later than one year but not later than five years	64,520,346	52,411,693	-	-
Later than five years	-	-	-	-
	79,484,220	60,264,166	-	-

	Note	June 30, 2025	June 30, 2024
19 ACCRUED AND OTHER LIABILITIES		(Rupees)	
Remuneration payable to the Management Company	19.1	29,103,352	26,302,197
Profit payable on:			
- Redeemable capital	19.2	49,093,521	121,016,639
- Term finance arrangements		23,593,578	57,379,249
- Running finance arrangements		5,936,573	-
Accrued expenses		25,870,039	23,363,358
Amounts refundable to lessees		140,290,884	136,733,576
Commission payable on certificates of musharika		4,904,200	8,093,400
Provision for Workers' Welfare Fund	19.3	35,430,995	30,279,702
Provision for services sales tax on the Management Company's remuneration	26	34,384,181	30,018,678
Charity payable	19.4	2,331,235	3,378,515
Others		15,592,411	21,988,576
		366,530,969	458,553,890

19.1 Amounts due to OLP Services Pakistan (Private) Limited as at June 30, 2025 aggregated to Rs. 29.103 million (2024: Rs. 26.302 million).

19.2 This includes profit payable to key management personnel amounting to Rs. 3.721 million (2024: Rs. 7.985 million).

19.3 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.

19.4 During the current year, donations paid out of the charity payable account include donation to Layton Rahmatulla Benevolent Trust Hospital amounting to Rs. 2 million (2024: Rs. 2 million) and an amount of Rs. 2 million (2024: Rs. 2 million) was donated to The Patients' Behbud Society for AKU.

20 REDEEMABLE CAPITAL - PARTICIPATORY AND UNSECURED

	Note	June 30, 2025	June 30, 2024
		(Rupees)	
Certificates of musharika (COM)	20.1 & 20.1.1	5,633,455,000	4,287,535,000
Less: current portion of redeemable capital	20.2	(5,531,355,000)	(4,145,135,000)
		102,100,000	142,400,000

20.1 These carry estimated share of profit ranging between Rs. 0 to Rs. 0.3164 per thousand per day (0% to 11.55% per anum) (2024: Rs. 0.55 to Rs. 0.60 per thousand per day (20.0% to 21.99% per annum) and are due to mature latest by June 03, 2030 (2024: April 05, 2029).

20.1.1 This includes COM issued to key management personnel amounting to Rs. 33.65 million (2024: Rs. 42.25 million) at the rate ranging from 0% to 21.05% (2024: 20.25% to 21.05%) per annum.

20.2 Current portion of redeemable capital

	Note	June 30, 2025	June 30, 2024
		(Rupees)	
Current portion of certificates of musharika		5,394,650,000	4,023,030,000
Payable to holders of matured certificates of musharika	20.2.1	136,705,000	122,105,000
		5,531,355,000	4,145,135,000

20.2.1 These represent amounts with respect to already matured certificates against which respective customer's request for encashment along with original certificates are pending.

21 CONTINGENCIES AND COMMITMENTS

21.1 There were no contingencies outstanding as at June 30, 2025 and June 30, 2024.

21.2 Commitments

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. 102.17 million (June 2024: United Bank Limited on behalf of M/s. Bulk Flexibles Pakistan (Private) Limited as at year end amounting to Rs. 58.52 million) 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.

22 FINANCIAL AND OTHER CHARGES

	Note	June 30, 2025	June 30, 2024
		(Rupees)	
Return on redeemable capital expensed		670,420,207	721,694,359
Return on term finance arrangements expensed		178,198,412	292,451,443
Return on running musharika expensed		13,973,845	-
Commission		49,095,839	32,550,217
Unwinding of security deposits		39,880,208	43,111,692
Amortisation of lease liability against right-of-use assets		3,207,779	-
Bank charges		581,324	695,760
		955,357,614	1,090,503,471

	Note	June 30, 2025	June 30, 2024
		(Rupees)	

23 OTHER INCOME

Gain on disposal of Ijarah assets		55,130,794	3,673,052
Documentation fee		-	21,334,368
Gain on disposal of tangible assets		-	92,061
Insurance service fee and others		35,066,160	19,830,526
		90,196,954	44,930,007

24 ADMINISTRATIVE AND OPERATING EXPENSES

Salaries and other staff benefits	24.1 & 30	182,581,325	192,632,429
Repairs and maintenance		27,953,015	23,788,518
Utilities expenses		10,574,061	9,286,229
Legal and professional		9,027,906	5,924,496
Rent	24.3	8,705,901	13,499,983
Depreciation on tangible assets in own use	7.1	7,759,012	8,658,167
Depreciation on right-of-use assets	7.1	5,738,754	-
Printing and stationery		3,566,107	3,854,700
Auditor's remuneration	24.4	3,465,879	3,113,413
Advertising, travelling and entertainment		2,793,452	2,197,820
Telecommunication		2,666,736	3,172,313
Postage		2,268,714	320,908
Amortisation on intangible assets	8.1	2,171,464	1,884,051
Sundry expenses		1,700,718	3,496,399
Subscriptions		1,636,976	1,707,174
Certificate of Musharika trustee fee		1,445,618	969,044
Insurance - own assets		388,134	344,999
		274,443,772	274,850,643

24.1 Salaries and other staff benefits include Rs. 6.85 million and Rs. 5.71 million (2024: Rs. 6.73 million and Rs. 5.60 million) on account of the Modaraba's contribution to the staff provident fund and staff defined contribution scheme respectively. Modaraba has recognised a cost equal to the contribution payable for the year as the management company is legally sponsoring Modaraba for the plan.

24.2 During the year, Modaraba made fixed contribution to the staff defined contribution scheme at the rate of 8.33% (June 30, 2024: 8.33%) of staff basic salary.

24.3 This includes expense allocated by OLP Financial Services Pakistan Limited (OLPL) (Holding Company) on account of usage of OLPL's space, furniture, fixtures and office equipment in Islamabad by the Modaraba.

24.4 Auditor's remuneration

	June 30, 2025	June 30, 2024
	(Rupees)	
Statutory audit fee	1,056,000	960,500
Half yearly review fee	300,000	274,430
Fee for review of compliance with the Code of Corporate Governance	114,996	104,900
Fee for other certifications and assistance in application of IFRS 9	1,358,151	1,200,000
Out of pocket expenses	380,000	342,960
	3,209,147	2,882,790
Sindh sales tax on services	256,732	230,623
	3,465,879	3,113,413

24.4.1 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 the code of corporate governance and assurance over IFRS 9 model methodology and application.

25 MANAGEMENT COMPANY'S REMUNERATION

The Modaraba Management Company is entitled to a remuneration for services rendered to the Modaraba under the provisions of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 upto a maximum of 10% per annum of the net annual profits of the Modaraba. The remuneration for the year ended June 30, 2025 has been recognised at 10% (2024: 10%) of the profit for the year before charging such remuneration.

26 PROVISION FOR SERVICES SALES TAX ON THE MANAGEMENT COMPANY'S REMUNERATION

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 hence, does not attract any services sales tax.

Pursuant to Order number SRB-COM-I/AC-V/Mgt/SCSOP/5878/2012 of the SRB dated April 22, 2013 issued to the Management Company, the Modaraba has recorded a provision in respect of Sindh Sales Tax on 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.

27 LEVIES

	Note	June 30, 2025	June 30, 2024
		(Rupees)	
Final tax u/s 150	27.1	3,961,811	4,775,216

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

28 TAXATION

	Note	June 30, 2025	June 30, 2024
		(Rupees)	
Taxation			
Current			
- For the year		110,057,486	50,501,765
- Prior year		-	(81,032,286)
		110,057,486	(30,530,521)
Deferred			
- For the year	9	(35,682,773)	25,130,940
- Prior year		-	71,521,652
		(35,682,773)	96,652,592
	28.2	74,374,713	66,122,071

28.1 Reconciliation of current tax charged as per tax laws for the year, with current tax recognized in the profit and loss account, is as follows:

	June 30, 2025	June 30, 2024
	(Rupees)	
Current tax liability as per applicable tax laws	78,336,524	70,897,287
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(74,374,713)	(66,122,071)
Portion of current tax liability as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(3,961,811)	(4,775,216)
Difference	-	-

28.2 Relationship between tax expense and accounting profit

Profit before taxation	248,451,558	223,859,258
Enacted tax rate	29%	29%
Tax calculated at enacted rate	72,050,952	64,919,185
- Impact of super tax	9,938,062	2,238,593
- Effect of lower rate of dividend income	(4,244,147)	-
- Change in rate of tax	(3,370,154)	2,297,865
- Prior peiod	-	(9,510,634)
- Others	-	6,177,063
	74,374,713	66,122,072
- Levy	3,961,811	4,775,216
	78,336,524	70,897,288

29 EARNINGS PER CERTIFICATE - BASIC AND DILUTED

	June 30, 2025	June 30, 2024
Basic	(Rupees)	
Profit for the year after taxation	174,076,845	157,737,187
	(Number)	
Weighted average number of certificates outstanding during the year	45,383,530	45,383,530
	(Rupees)	
Earnings per certificate	3.84	3.48

Diluted

Diluted earnings per certificate has not been presented as the Modaraba 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 certificate if the option to convert is exercised.

30 REMUNERATION OF OFFICERS AND EXECUTIVES

	Note	June 30, 2025	June 30, 2024
		(Rupees)	
Remuneration and staff retirement benefits		175,864,359	187,435,995
Other benefits		6,716,966	5,196,434
Staff loan expense		-	-
	30.1 & 30.2	182,581,325	192,632,429
Number of employees at the end of the year		(Number)	
- Permanent		38	41
- On contractual basis		20	11
		58	52
Average number of employees*		40	42

* Represents the average number of employees at the end of each month in the year.

30.1 It includes remuneration paid to all employees other than the Chief Executive Officer, who is an employee of the Management Company of the Modaraba. Remuneration to the Chief Executive Officer is recognised in the financial statements of the Management Company of the Modaraba.

30.2 The remuneration paid to the executives is as follows:

	June 30, 2025	June 30, 2024
	(Rupees)	
Basic salary	49,372,398	53,142,048
House rent allowance	19,748,959	21,256,819
Medical allowance	4,937,240	5,314,205
Other allowances	18,628,560	33,117,170
Bonus	12,155,000	11,098,200
Contribution to provident fund	4,179,666	4,876,526
Contribution to defined contribution scheme	3,481,633	4,062,112
	112,503,456	132,867,080
	(Number)	
Number of executives at the end of the year	17	22

30.3 Executives denote employees, other than the Chief Executive and Executive Directors, whose basic salary exceeds twelve hundred thousand rupees in a financial year.

31 RISK MANAGEMENT

31.1 FINANCIAL RISK MANAGEMENT

Risk management framework

The Modaraba's objective in managing risk is the creation and protection of certificate holders' value. Risk is inherent in the Modaraba's activities, but it is managed through monitoring and controlling activities which are primarily set up based on limits established by the Management Company, the Modaraba's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Modaraba as well as the level of the risk that the Modaraba is willing to accept. The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Modaraba's risk management framework.

The activities of the Modaraba expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

31.2 Market risk

Market risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of the changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. Market risk comprise of three types of risks: currency risk, profit rate risk and price risk.

Management of market risks

The Management Company manages market risk by monitoring its financial instruments as per the internal risk management policies and investment guidelines approved by the Board of Directors of the Management Company.

The Modaraba is exposed to profit and price risk.

31.2.1 Sensitivity of ECL to Future Economic Conditions

The ECL are sensitive to judgements and assumption made regarding formulation of forward-looking scenarios and how much such scenarios are incorporated into calculations. The Modaraba performs sensitivity analysis on the ECL recognized on ijarah and diminishing musharika financing.

The table below shows the total loss allowance assuming each forward-looking scenario (e.g. Base, Best and Worst) were weighted 100 percent instead of applying scenario probability across the three scenarios.

		Upside		Central		Downside	
	Total ECL as per FS	Total ECL after sensitivity analysis	Increase / decrease in %	Total ECL after sensitivity analysis	Increase / decrease in %	Total ECL after sensitivity analysis	Increase / decrease in %
ECL on Ijarah and Diminishing Musharika financing	164,237,119	157,809,624	-4.07%	163,249,689	-0.60%	174,267,004	5.76%

31.3 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign currency exchange rates. At present, the Modaraba is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

31.4 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates. At the reporting date, the profit rate profile of the Modaraba's profit bearing financial instruments and the periods in which these will mature are as follows (based on the earlier of repricing and contractual maturity):

	June 30, 2025							
	Effective yield / profit rate %	Total	Exposed to yield / profit rate risk					Not exposed to yield / profit rate risk
			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-statement of financial position financial instruments	(Rupees)							
Financial assets								
Diminishing Musharika	12.81% - 26.19%	6,810,157,725	23,693,527	8,261,825	213,382,196	6,410,143,258	154,676,919	-
Bank balances	5% - 19%	604,579,710	590,248,698	-	-	-	-	14,331,012
Advances, deposits and other receivables	-	138,672,900	-	-	-	-	-	138,672,900
Short term investments	-	159,735,406	-	-	-	-	-	159,735,406
Ijarah rentals receivable	-	33,710,624	-	-	-	-	-	33,710,624
		7,746,856,365	613,942,225	8,261,825	213,382,196	6,410,143,258	154,676,919	346,449,942
Financial liabilities								
Redeemable capital	6% - 11.55%	5,633,455,000	1,064,905,000	1,994,550,000	2,471,800,000	102,200,000	-	-
Term finance arrangements	12.08% - 22.77%	906,778,716	153,950,540	752,828,176	-	-	-	-
Security deposits	-	278,574,576	-	-	-	-	-	278,574,576
Creditors, accrued and other liabilities	-	296,715,793	-	-	-	-	-	296,715,793
Running musharika	14% - 18%	150,000,000	-	-	150,000,000	-	-	-
Lease liabilities	-	60,264,166	-	-	-	-	-	60,264,166
Unclaimed profit distribution	-	79,892,967	-	-	-	-	-	79,892,967
		7,405,681,218	1,218,855,540	2,747,378,176	2,621,800,000	102,200,000	-	715,447,502
On-statement of financial position gap (a)		341,175,147	(604,913,315)	(2,739,116,351)	(2,408,417,804)	6,307,943,258	154,676,919	(368,997,560)
Off-statement of financial position financial instrument								
Commitments			-	-	-	-	-	144,656,000
Off-statement of financial position financial instrument gap (b)			-	-	-	-	-	(144,656,000)
Total interest rate sensitivity gap (a+b)			(604,913,315)	(2,739,116,351)	(2,408,417,804)	6,307,943,258	154,676,919	
Cumulative interest rate sensitivity gap			(604,913,315)	(3,344,029,666)	(5,752,447,470)	555,495,788	710,172,707	

	June 30, 2024							
	Effective yield / profit rate %	Total	Exposed to yield / profit rate risk					Not exposed to yield / profit rate risk
			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-statement of financial position financial instruments	(Rupees)							
Financial assets								
Diminishing Musharika	21.07% - 27.49%	5,284,579,457	1,175,440,263	3,056,836,957	974,991,289	15,590,262	18,566,376	43,154,310
Short term investments	-	350,918,237	-	-	-	-	-	350,918,237
Bank balances	10.82% - 20.5%	329,627,579	327,267,470	-	-	-	-	2,360,109
Advances, deposits and other receivables	-	101,400,507	-	-	-	-	-	101,400,507
Ijarah rentals receivable	-	69,821,374	-	-	-	-	-	69,821,374
		6,136,347,154	1,502,707,733	3,056,836,957	974,991,289	15,590,262	18,566,376	567,654,537
Financial liabilities								
Redeemable capital	20.00% - 21.99%	4,287,535,000	327,105,000	837,300,000	2,980,730,000	142,400,000	-	-
Term finance arrangements	19.03% - 23.62%	1,231,896,100	406,250,000	825,646,100	-	-	-	-
Creditors, accrued and other liabilities	-	398,255,510	-	-	-	-	-	398,255,510
Security deposits	-	308,813,232	-	-	-	-	-	308,813,232
Unclaimed profit distribution	-	57,602,615	-	-	-	-	-	57,602,615
Advance ijarah rentals received	-	4,645,531	-	-	-	-	-	4,645,531
		6,288,747,988	733,355,000	1,662,946,100	2,980,730,000	142,400,000	-	769,316,888
On-statement of financial position gap (a)		(152,400,834)	769,352,733	1,393,890,857	(2,005,738,711)	(126,809,738)	18,566,376	(201,662,351)
Off-statement of financial position financial instrument								
Commitments			-	-	-	-	-	58,516,500
Off-statement of financial position financial instrument gap (b)			-	-	-	-	-	(58,516,500)
Total interest rate sensitivity gap (a+b)			769,352,733	1,393,890,857	(2,005,738,711)	(126,809,738)	18,566,376	
Cumulative interest rate sensitivity gap			769,352,733	2,163,243,590	157,504,879	30,695,141	49,261,517	

Sensitivity analysis for variable rate instrument

As at reporting date, variable rate instruments of the Modaraba represent cash and bank balances, Diminishing Musharika and Ijarah financing, term finance arrangements and redeemable capital. In case of 100 basis points increase / decrease in profit rates on the last repricing date of variable rate instruments with all other variables held constant, the following will be the impact on the statement of profit and loss and the equity of the Modaraba:

	As at June 30, 2025		As at June 30, 2024	
	Increase of 100 basis points	Decrease of 100 basis points	Increase of 100 basis points	Decrease of 100 basis points
	(Rupees)			
Variable rate financial assets	74,000,675	(74,000,675)	56,118,469	(56,118,469)
Variable rate financial liabilities	(66,902,337)	66,902,337	(55,194,311)	55,194,311
Net effect on profit and loss	7,098,338	(7,098,338)	924,158	(924,158)

Sensitivity analysis for fixed rate instrument

There are no fixed rate financial instruments as at June 30, 2025 and June 30, 2024.

The composition of the Modaraba's portfolio of financial instruments and profit rates are expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the effect on the Modaraba's profit and loss and reserves due to changes in profit rates.

31.5 Price risk

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. The fair value and average cost of units of mutual fund as at June 30, 2025 is Rs.159.73 million (June 30, 2024: Rs. 350.92 million).

31.6 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted. The risk is generally limited to principal amounts and accrued interest thereon, if any. The Modaraba's policy is to enter into financial contracts in accordance with the internal risk management policies and the requirements of the Modaraba rules and regulations. The carrying amount of financial assets represents the maximum credit exposure at the reporting date.

	June 30, 2025	June 30, 2024
	(Rupees)	
Financial Assets		
Diminishing Musharika	6,869,496,513	5,372,001,183
Bank balances	604,393,013	329,517,879
Short term Investments	159,735,406	350,918,237
Advances, deposits and other receivables	79,334,113	13,978,781
Ijarah rentals receivable	33,710,624	69,821,374
	7,746,669,669	6,136,237,454

As at June 30, 2025 and June 30, 2024, Ijarah rental receivables are pledged as collateral against musharika / wakala term finance.

31.6.1 Management of credit risk

The Modaraba's policy is to enter into financial contracts in accordance with the internal risk management polices and the requirements of the Modaraba Regulations, 2021 issued by the SECP. The Modaraba seeks to manage its credit risk exposure through diversification of its Ijarah and diminishing musharika arrangements to avoid undue concentration of risks with individuals or groups of customers in specific locations or businesses.

The outstanding amount of Modaraba's Ijarah finance are secured against leased assets. In few cases, additional collateral is also obtained in the form of mortgage of property. The Modaraba is entitled to repossess and sell these assets in case of default by the customers. During the current year, the Modaraba has not repossessed any assets.

Credit risk ratings

The Modaraba maintains balances with banks and mutual funds (i.e daily dividend income funds) having reasonably high credit ratings which are summarized as follows:

	June 30, 2025	June 30, 2024
	(Rupees)	
Banks and Mutual Fund balances		
AAA	456,144,526	329,311,305
A+	301,045,007	39,600
AA+	6,535,106	222,981,117
AA	64,889	127,879,380
AA-	-	156,373
The State Bank of Pakistan	338,894	68,341
	764,128,422	680,436,116

31.6.2 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Modaraba's total credit exposure.

The Modaraba manages credit risks and its concentration through diversification of activities to avoid undue concentration of risk with individuals, groups or specific industry segments. For this purpose, the Modaraba has established exposure limits for individuals and industrial sectors.

Details of the sector wise analysis of gross ijarah assets and diminishing musharika are as follows:

Sectors	June 30, 2025		June 30, 2024	
	(Rupees)	%	(Rupees)	%
Employee finance of corporate entities	1,899,379,598	25.73%	1,246,420,159	20.05%
Textile	1,234,901,163	16.73%	1,240,274,559	19.95%
Others	501,151,967	6.79%	453,067,831	7.29%
Sugar	478,600,614	6.48%	430,468,194	6.93%
Steel	388,881,530	5.27%	293,470,460	4.72%
Fast moving consumer goods (FMCGs) / food and allied	360,674,926	4.88%	317,549,254	5.11%
Services	354,116,435	4.80%	277,732,815	4.47%
Printing, publishing and packages	323,804,467	4.39%	361,101,968	5.81%
Pharmaceuticals	300,651,356	4.07%	235,016,755	3.78%
Poultry / poultry feeds	258,558,855	3.50%	245,205,415	3.93%
Chemicals	236,582,684	3.20%	100,567,693	1.62%
Plastic	220,631,538	2.99%	243,674,800	3.92%
Leather / tyre and rubber	173,251,120	2.35%	142,572,060	2.29%
Travel, transport, storage	140,521,538	1.90%	197,974,464	3.18%
Engineering	118,478,465	1.60%	144,838,986	2.33%
Distribution	117,180,210	1.59%	55,589,497	0.89%
Automobile	64,475,215	0.87%	111,744,647	1.80%
Dairy, farming and allied	61,084,103	0.83%	19,800,000	0.32%
Gas	41,259,574	0.56%	12,139,342	0.20%
Financial institutions	40,361,033	0.55%	6,779,778	0.11%
Confectionery	39,273,192	0.53%	39,273,192	0.63%
Power, energy, water	29,531,421	0.40%	40,587,234	0.65%
	7,383,351,004	100%	6,215,849,103	100%

Reconciliation of the sector wise analysis of gross ijarah assets and diminishing musharika with the notes to the financial statements is as follows:

	Note	**June 30, 2025**	June 30, 2024
		(Rupees)	
Investment in Ijarah finance / assets under Ijarah arrangements	6	736,741,555	1,259,654,374
Less: security deposits held	17	(278,574,576)	(400,255,326)
Add: impairment against Ijarah assets	6.1	14,283,955	14,283,955
		472,450,934	873,683,003
Investment in diminishing musharika	5	6,810,157,726	5,284,579,457
Add: provision in respect of diminishing musharika	5.3	100,742,343	57,586,643
		6,910,900,069	5,342,166,100
		7,383,351,003	6,215,849,103

31.6.3 The Modaraba applies the IFRS 9 general approach to measure Expected Credit Losses (ECL) for Ijarah Finance and diminishing musharika. The probability of default (PD) is estimated using the Vasicek Distribution Framework which makes usage of respective segment of financial assets' correlation of historical PD of each ageing bucket (calculated using formula as per Basel's Internal Rating based approach) and weighted average economic factor. The computation of ECL is sensitive to macroeconomic variables such as GDP growth rate, inflation. For the computation of forward-looking PDs, the Modaraba uses forecasted macroeconomic data from independent external sources. 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:

Ijarah finance and diminishing musharika

	June 30, 2025			
	Credit Impaired	**Expected loss rate**	**Gross Carrying Amount**	**Loss allowance**
		(Rupees)		
Not yet due	No	0.04%	5,716,920,856	2,255,231
1-30 days	No	0.21%	1,199,206,395	2,500,625
31-60 days	No	1.21%	454,999,278	5,495,904
61-90 days	No	1.61%	51,567,177	829,858
91-180 days	Yes	4.11%	142,276,037	5,854,092
181-365 days	Yes	84.87%	59,926,666	50,857,183
More than 365 days	Yes	100.00%	110,728,182	110,728,182
Total			7,735,624,591	178,521,075

	June 30, 2024			
	Credit Impaired	Expected loss rate	Gross Carrying Amount	Loss allowance
		(Rupees)		
Not yet due	No	0.05%	5,400,303,378	2,800,911
1-30 days	No	0.20%	483,697,094	957,112
31-60 days	No	1.39%	277,685,555	3,865,829
61-90 days	No	4.04%	198,454,178	8,012,305
91-180 days	Yes	9.95%	58,271,448	5,796,426
181-365 days	Yes	52.83%	73,599,724	38,879,505
More than 365 days	Yes	100.00%	106,516,379	106,516,379
Total			6,598,527,756	166,828,467

For ijarah finance and diminishing musharika, 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.There is a significant increase in credit risk when a financial asset is overdue by more than 30 days. 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 Modaraba 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 Modaraba also considers reasonable and supportive forward-looking information in determination of ECL.

31.7 Liquidity risk

Liquidity risk is the risk that the Modaraba will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Modaraba will be required to pay / settle its liabilities earlier than expected or will face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Modaraba'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 Modaraba's reputation.

The following are the contractual maturities of financial liabilities:

	June 30, 2025						
	Carrying Amount	Contractual cash flows	Up to 1 month	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years
Financial liabilities	(Rupees)						
Redeemable capital	5,633,455,000	(6,309,469,600)	(1,192,693,600)	(2,233,896,000)	(2,768,416,000)	(114,464,000)	-
Term finance arrangements	906,778,716	(1,215,295,523)	(177,043,121)	-	(10,747,951)	(1,027,504,452)	-
Security deposits	278,574,576	(278,574,576)	(57,756,932)	(7,975,615)	(65,391,999)	(147,450,030)	-
Accrued and other liabilities	296,715,793	(296,715,793)	(296,715,793)	-	-	-	-
Running musharaka	150,000,000	(150,000,000)	(150,000,000)	-	-	-	-
Unclaimed profit distribution	79,892,967	(79,892,967)	(79,892,967)	-	-	-	-
	7,345,417,052	(8,329,948,459)	(1,954,102,413)	(2,241,871,615)	(2,844,555,950)	(1,289,418,482)	-

	June 30, 2024						
	Carrying Amount	Contractual cash flows	Up to 1 month	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years
Financial liabilities	(Rupees)						
Redeemable capital	4,287,535,000	(4,802,039,200)	(366,357,600)	(937,776,000)	(3,338,417,600)	(159,488,000)	-
Term finance arrangements	1,231,896,100	(1,416,680,515)	(174,148,665)	-	(544,736,326)	(697,795,523)	-
Security deposits	308,813,232	(400,255,326)	(59,671,560)	(18,127,925)	(52,951,286)	(269,504,555)	-
Accrued and other liabilities	398,255,510	(398,255,510)	(398,255,510)	-	-	-	-
Unclaimed profit distribution	57,602,615	(57,873,114)	(57,873,114)	-	-	-	-
Advance Ijarah rentals received	4,645,531	(4,645,531)	(4,645,531)	-	-	-	-
	6,288,747,988	(7,079,749,196)	(1,060,951,980)	(955,903,925)	(3,936,105,212)	(1,126,788,078)	-

31.8 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Modaraba's operations either internally within the Modaraba or externally at the Modaraba's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risks arise from all of the Modaraba's activities.

The Modaraba's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its objective of generating returns for certificate holders.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors of the Management Company. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

32 STAFF RETIREMENT BENEFITS

32.1 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.

32.2 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.

33 CASH AND CASH EQUIVALENTS

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

	June 30, 2025	June 30, 2024
	(Rupees)	
Cash and bank balances	604,579,710	329,627,579
Less: Running musharika	(150,000,000)	-
Cash and cash equivalents	454,579,710	329,627,579

33.1 Reconciliation of movements of liabilities to cash flows arising from financing activities

	Note	Balances at June 30, 2025			
		Term Finance arrangement	Redeemable Capital	Unclaimed profit distribution	Total
		(Rupees)			
Opening balance as at July 1, 2024		1,231,896,100	4,287,535,000	57,602,615	5,577,033,715
Dividend declared		-	-	90,767,060	90,767,060
		-	-	90,767,060	90,767,060
Proceeds from term finance		906,778,716	-	-	906,778,716
Repayment of term finance		(1,231,896,100)	-	-	(1,231,896,100)
Proceeds from issuance of redeemable capital		-	5,633,455,000	-	5,633,455,000
Repayment of redeemable capital		-	(4,287,535,000)	-	(4,287,535,000)
Receivable from former employee	11.7	-	-	19,817,784	19,817,784
Dividend paid		-	-	(88,294,492)	(88,294,492)
		(325,117,384)	1,345,920,000	(68,476,708)	952,325,908
Closing balance as at June 30, 2025		906,778,716	5,633,455,000	79,892,967	6,620,126,683

	Balances at June 30, 2024			
	Term Finance arrangement	Redeemable Capital	Unclaimed profit distribution	Total
	(Rupees)			
Opening balance as at July 1, 2023	1,650,009,856	2,896,605,000	59,295,174	4,605,910,030
Dividend declared	-	-	90,767,060	90,767,060
	-	-	90,767,060	90,767,060
Proceeds from term finance	321,883,866	-	-	321,883,866
Repayment of term finance	(739,997,622)	-	-	(739,997,622)
Proceeds from issuance of redeemable capital	-	6,903,430,000	-	6,903,430,000
Repayment of redeemable capital	-	(5,512,500,000)	-	(5,512,500,000)
Dividend paid	-	-	(92,459,619)	(92,459,619)
	(418,113,756)	1,390,930,000	(92,459,619)	880,356,625
Closing balance as at June 30, 2024	1,231,896,100	4,287,535,000	57,602,615	5,577,033,715

34 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

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

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

	June 30, 2025							
	Carrying value				Fair value			
	Fair value through profit or loss	Fair value through OCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees)							
Financial assets measured at fair value								
Short term investments	159,735,406	-	-	159,735,406	159,735,406	-	-	159,735,406
	159,735,406	-	-	159,735,406				
Financial assets not measured at fair value								
Diminishing musharika*	-	-	6,810,157,726	6,810,157,726	-	-	-	-
Cash and bank balances*	-	-	604,579,710	604,579,710	-	-	-	-
Advances, deposits and other receivables*	-	-	138,672,900	138,672,900	-	-	-	-
Ijarah rentals receivable*	-	-	33,710,624	33,710,624	-	-	-	-
	-	-	7,587,120,960	7,587,120,960				
Total	159,735,406	-	7,587,120,960	7,746,856,366				
Financial liabilities not measured at fair value								
Redeemable capital*	-	-	-	5,633,455,000	5,633,455,000	-	-	-
Term finance arrangements*	-	-	-	906,778,716	906,778,716	-	-	-
Security deposits*	-	-	-	278,574,576	278,574,576	-	-	-
Creditors, accrued and other liabilities*	-	-	-	296,715,793	296,715,793	-	-	-
Running musharaka*	-	-	-	150,000,000	150,000,000	-	-	-
Unclaimed profit distribution*	-	-	-	79,892,967	79,892,967	-	-	-
Total	-	-	-	7,345,417,052	7,345,417,052			

	June 30, 2024							
	Carrying value				Fair value			
	Fair value through profit or loss	Fair value through OCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees)							
Financial assets measured at fair value								
Short term investments	350,918,237	-	-	350,918,237	350,918,237	-	-	350,918,237
	350,918,237	**-**	**-**	**350,918,237**				
Financial assets not measured at fair value								
Cash and bank balances*	-	-	329,627,579	329,627,579	-	-	-	-
Ijarah rentals receivable*	-	-	69,821,374	69,821,374	-	-	-	-
Advances, deposits and other receivables*	-	-	182,393,622	182,393,622	-	-	-	-
Diminishing musharika*	-	-	5,284,579,457	5,284,579,457	-	-	-	-
Net investment in Ijarah finance*	-	-	-	-	-	-	-	-
	-	-	5,866,422,032	5,866,422,032				
Total	350,918,237	-	5,866,422,032	6,217,340,269				
Financial liabilities not measured at fair value								
Term finance arrangements*	-	-	1,231,896,100	1,231,896,100	-	-	-	-
Security deposits*	-	-	308,813,232	308,813,232	-	-	-	-
Creditors, accrued and other liabilities*	-	-	398,255,510	398,255,510	-	-	-	-
Advance ijarah rentals received*	-	-	4,645,531	4,645,531	-	-	-	-
Redeemable capital*	-	-	4,287,535,000	4,287,535,000	-	-	-	-
Unclaimed profit distribution*	-	-	57,602,615	57,602,615	-	-	-	-
Total	-	-	6,288,747,988	6,288,747,988				

*In the opinion of management, fair value of the financial assets and liabilities not measured at fair value are not significantly different from their carrying values since these assets and liabilities are short term in nature or are periodically repriced.

Valuation techniques used in determination of fair values:

Item	Valuation approach and input used
Mutual Funds	The valuation has been determined based on Net asset values declared by Mutual Funds Association of Pakistan (MUFAP).

34.2 There are no significant changes in business or economic circumstances that affect the FV of the entity's financial assets and financial liabilities whether those assets or liabilities are recognized at FV or amortised cost.

35 CAPITAL RISK MANAGEMENT

The Modaraba's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for certificate holders and benefits for other stakeholders and to maintain an optimal capital structure so as to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Modaraba may adjust the amount of profits / distributions paid to certificate holders, issue new certificates or sell assets to reduce debt.

Consistent with others in the industry, the Modaraba monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total Certificates of Musharika, Musharika Finance and borrowings less cash and bank balances. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

	June 30, 2025	June 30, 2024
	(Rupees)	
Total borrowings	6,690,233,716	5,519,431,100
Less: Cash and bank balances	604,579,710	329,627,579
Net debt	6,085,654,006	5,189,803,521
Total equity	1,326,902,484	1,243,592,699
Total capital	7,412,556,490	6,433,396,220
Gearing ratio	82.10%	80.67%

As required under the Modaraba Regulations, 2021, every Modaraba issuing Certificate of Musharika shall maintain a capital adequacy ratio of 8% for the first two years after the amendment coming into force and thereafter at the rate of 10%. The Modaraba has maintained and complied with the minimum capital adequacy ratio and minimum equity requirement during the current year.

	June 30, 2025	June 30, 2024
	(Rupees)	
35.1 Capital adequacy		
Minimum Equity Requirements (MER)	500,000,000	500,000,000
Modaraba's Equity	1,326,902,484	1,243,592,699
Minimum Capital Requirements (MCR)		
Total eligible capital	1,267,699,497	1,218,128,721
Risk Weighted Assets (RWA)	7,612,531,550	7,445,088,608
Total capital / RWA	17%	16%
Minimum capital requirement	10%	10%
Core capital		
Paid-up capital	453,835,300	453,835,300
Balance in certificate premium account	55,384,700	55,384,700
Statutory reserve	523,503,337	523,503,337
Un-appropriated Profit	294,179,147	210,869,362
Total	1,326,902,484	1,243,592,699
Less:		
Intangible assets	1,825,173	3,768,937
Deferred tax assets	57,377,814	21,695,041
Sub total	59,202,987	25,463,978
Eligible core capital	1,267,699,497	1,218,128,721

36 SEGMENT INFORMATION

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

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

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

The Modaraba is domiciled in Pakistan. All of the Modaraba’s income is from investments in entities incorporated in Pakistan.

The Modaraba also has a diversified certificate holder population. As at June 30, 2025, there were only two (2024: two) certificate holders who individually hold equal to or more than 10% of the Modaraba’s certificate capital. Their holdings were 10% and 10% (2024: 10% and 10%) respectively.

37 RELATED PARTY TRANSACTIONS

37.1 Details of related parties of the Modaraba

Name of related party	Nature of relationship	Basis of relationship
OLP Financial Services Pakistan Limited	Holding Company of Management Company	Common Management and Control
OLP Services Pakistan (Private) Limited	Associate	Management Company of the Modaraba
OLP Modaraba - Staff Provident Fund	Associate	Common Management
OLP Modaraba - Staff defined contribution scheme	Associate	Common Management
Layton Rehmatullah Benevolent Trust Free Eye Hospital	Associate	Trustee of Associate Undertaking
The Patients' Behbud Society for AKU	Associate	Common Directorship

37.2 Transactions with related parties other than those which have been specifically disclosed elsewhere in these financial statements and remuneration and benefits to key management personnel (which are employed by the management company) under the terms of their employment are as follows:

Name	Nature of relationship	Basis of relationship	Nature of transaction	30 June 2025	30 June 2024
				(Rupees)	
OLP Financial Services Pakistan Limited	Holding Company of the Management Company	100% Holding in the Management Company, 10% Holding in the Modaraba	Dividend	9,076,706	9,076,706
			Allocated cost to the Modaraba for Islamabad Office	785,329	750,844
OLP Services Pakistan (Private) Limited	Management Company	10% Holding in the Modaraba	Management Company's remuneration	29,103,352	26,302,197
			Dividend	9,076,706	9,076,706
			Rent expense	5,467,280	10,261,156
			Interest expense	3,070,542	-
			Depreciation expense	5,471,608	-
			Rent paid	11,287,272	18,177,979
The Patients' Behbud Society for AKU	Associated Undertaking	Common directorship	Donation paid by the Modaraba	2,000,000	2,000,000
Layton Rahmatulla Benevolent Trust Hospital	Associated Undertaking	Trustee of associate undertaking	Donation paid by the Modaraba	2,000,000	2,000,000
OLP Modaraba - Staff Provident Fund	Retirement benefit fund	Employees benefit fund	Contribution made by the Modaraba	6,852,148	6,724,956
OLP Modaraba - Staff defined contribution scheme	Retirement benefit fund	Employees benefit fund	Contribution made by the Modaraba	5,695,731	5,601,790
			Refund received by the Modaraba	1,921,331	728,877
Mr. Shaheen Amin	Chairman of the Board of Directors of the Management Company	Chairman of the Board of Directors of the Management Company	Dividend paid	200,000	200,000
Mr. Nadeem D Khan	Director of the Management Company	Director of the Management Company	Dividend paid	12,098	12,098
Key management personnel	Employees	Members of the Management Committee	Salaries and benefits	51,014,165	62,268,796
			Contributions to the staff provident fund	2,007,070	2,344,647
			Contributions to the staff defined contribution scheme	1,671,886	1,953,087
			Refund received by the Modaraba	-	-
			Income earned on diminishing musharika finances	2,764,745	7,017,161
			Deposit against Certificates of Musharika	31,150,000	31,250,000
			Reedemption of Certificates of Musharika	39,750,000	17,450,000
			Financial charges on redeemable capital	5,802,477	8,546,836
			Number of persons as at June 30	7	7

Name of key management personnel	Balances at June 30, 2025			Maximum Aggregate Balance during the year
	Diminishing Musharika Finance (1)	Accrued Profit / Markup Receivable from Diminishing Musharika Finance (2)	Total (1+2)	
	(Rupees)			
Nadir Shah	-	-	-	4,683,908
Salwat Ahmad	4,695,034	14,729	4,709,763	12,599,990
Muhammad Azhar Waseem	1,217,305	7,996	1,225,301	1,059,182
	5,912,339	22,725	5,935,064	

Name of key management personnel	Balances at June 30, 2024			Maximum Aggregate Balance during the year
	Diminishing Musharika Finance (1)	Accrued Profit / Markup Receivable from Diminishing Musharika Finance (2)	Total (1+2)	
	(Rupees)			
Muhammad Siddique	-	-	-	2,363,884
Nadir Shah	4,068,718	53,355	4,122,073	7,738,447
Salwat Ahmad	11,782,886	28,486	11,811,372	20,005,226
Nabeil Rabbani	1,955,775	15,048	1,970,823	3,825,000
Muhammad Azhar Waseem	674,918	8,143	683,061	4,677,348
	18,482,297	105,032	18,587,329	

37.3.1 Under diminishing musharika arrangements, housing, motor vehicle and personal finances are provided to key management personnel. Tenure of maximum twenty years are offered for housing finance whereas for motor vehicles and personal finances the tenure offered is five years under the approved human resource policies. The limit for housing finance is lower of eighty-five multiples of monthly basic salary or Rs. 20 million whereas for personal finance the same is granted as lower of three multiples of monthly basic salaries or Rs. 0.5 million. The limits of motor vehicle financings has been revised during the year.

Profit receivable represents profit on diminishing musharika finances accrued from the respective last paid installments till the statement of financial position date and is disclosed under note 7 to these financial statements under current assets.

38 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

The Board of Directors of the Management Company in their meeting held on September 25, 2025 approved a cash distribution of Rs. 2.5 (2024: Rs. 2.00) per certificate. The financial statements of the Modaraba for the year ended June 30, 2025 do not include the effect of this distribution which will be accounted for in the financial statements of the Modaraba for the year ending June 30, 2026.

39 GENERAL

39.1 Figures have been rounded off to the nearest rupee unless otherwise stated.

40 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 25, 2025 by the Board of Directors of the Management Company.

For OLP Services Pakistan (Private) Limited
Management Company

SD	SD	SD	SD
Chief Executive	Director	Director	Chief Financial Officer

OLP

OLP Modaraba

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