



OLP FINANCIAL SERVICES PAKISTAN LIMITED

40
YEARS OF
EXCELLENCE
1986-2026

*Honoring Our Legacy
Shaping Our Future*

2026
ANNUAL REPORT

HONORING OUR LEGACY SHAPING OUR FUTURE



For 40 years, OLP Financial Services Pakistan Limited has continuously evolved to meet the changing needs of customers, markets and the economy. What began as a leasing company in 1986 has transformed into a diversified financial services institution through strategic vision, innovation and disciplined execution. Every milestone in our journey reflects our commitment to excellence, resilience and the ability to adapt, creating a legacy built on trust, strong governance and enduring stakeholder relationships.



Today, OLP stands stronger than ever. Our diversified business model, robust governance framework, highest national credit ratings, and customer-centric solutions reflect the strength of an institution that has consistently reinvented itself while remaining true to its core values. The theme "Honoring Our Legacy, Shaping Our Future" celebrates not only the achievements of the past four decades but also the mindset that has enabled OLP to remain relevant, resilient and prepared for the opportunities of tomorrow.



As we enter our fifth decade, we look ahead with confidence and purpose. The future will be shaped by innovation, digital transformation, financial inclusion and the continuous development of our people and capabilities. Guided by the strength of our legacy and inspired by a clear vision for tomorrow, OLP remains committed to creating sustainable value for its customers, shareholders, employees and the communities we serve. Our first forty years were defined by excellence; our next chapter will be defined by our ability to shape the future.



OUR PEOPLE

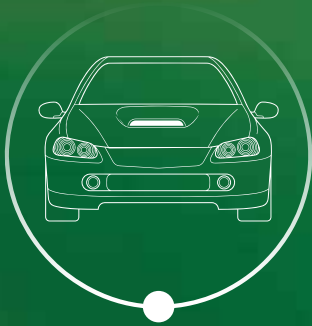




OUR PRODUCTS

With a commitment to delivering tailored solutions, OLP provides a comprehensive range of value-added financial products and innovative, customized services to meet the diverse needs of its customers. Operating under the umbrella of Investment Finance Services, OLP serves a broad spectrum of customers across Pakistan.





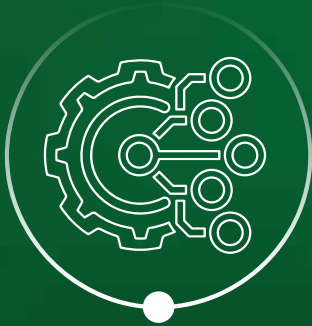
CONSUMER
AUTO LEASE



CERTIFICATE
OF DEPOSIT



COMMERCIAL
VEHICLE LEASE



CORPORATE LEASE



INSURANCE
AGENCY



TERM FINANCE

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VISION AND MISSION



Vision

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



Mission

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

CORE VALUES



STRATEGIC OBJECTIVES

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

CODE OF BUSINESS ETHICS

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

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

COMPANY PROFILE

Four decades of service reflect OLP Financial Services Pakistan Limited's ("OLP" or "the Company") evolution from a leasing business into a provider of diversified financing solutions for corporate and individual customers. Established in July 1986 as a joint venture between ORIX Corporation, Japan, and local investors, OLP marks its 40th anniversary in 2026. This journey has been shaped by the contributions of its employees and the trust of its customers. The Company takes pride in supporting customers as they grow their businesses and create opportunities for others. Today, OLP holds a leading position in Pakistan's non-banking finance company sector. It is listed on the Pakistan Stock Exchange and serves customers through 30 branches across 24 cities.

ORIX Corporation is the Company's major shareholder, with a 49.58% shareholding. Established in 1964, ORIX Corporation is an integrated financial services group with operations in 30 countries. As at June 30, 2026, the group had total assets of ¥18,256 billion and equity of ¥4,790 billion, equivalent to approximately US\$111 billion and US\$29 billion, respectively.

OLP's growth extended beyond Pakistan through the establishment of YANAL Finance Company (formerly Saudi ORIX Leasing Company) and SAMA Finance SAE (formerly ORIX Leasing Egypt SAE). A further chapter in the Company's development was the acquisition of Standard Chartered Leasing Limited and OLP Modaraba (formerly Standard Chartered Modaraba). Together with the amalgamation of the leasing company, these transactions broadened the scale and scope of OLP's operations.

From corporate leasing to financing for individuals and businesses, OLP's product portfolio has evolved with the needs of its customers. Today, that portfolio includes auto financing for passenger vehicles and commercial vehicle financing for trucks and buses. Islamic financing and solutions for small enterprises broaden the range of customers OLP can serve, while Certificates of Deposit have supported its funding requirements. Together, these offerings enable the Company to serve customers across Pakistan while maintaining a particular focus on small and medium enterprises.

PARENT, SUBSIDIARIES AND ASSOCIATES

PARENT COMPANY

ORIX Corporation

World Trade Center Building, South Tower, 2-4-1, Hamamatsu-cho Minato-ku, Tokyo 105-5135, Japan

Tel: (81)-3-3435-3000

www.orix.co.jp

SUBSIDIARIES

OLP Modaraba

Office 601, 6th Floor, Syedna Tahir Saifuddin Memorial Trust Building Civil Lines, Beaumont Road, Civil Lines, Karachi, Pakistan

Tel: (021)-38341168

www.olpmodaraba.com

OLP Services Pakistan (Private) Limited

Office 601, 6th Floor, Syedna Tahir Saifuddin Memorial Trust Building, Beaumont Road, Civil Lines, Karachi, Pakistan

Tel: (021)-38341168

ASSOCIATED COMPANIES

Yanal Finance Company

3612, Prince Fawaz Bin Abdul Aziz, Postal code 12813, Riyadh 7997, Kingdom of Saudi Arabia

Tel: (966)-11-2997777

www.yanal.com

SAMA Finance SAE

5th Floor, Cairo Center Building, 2 Abd El Kader Hamza Street, Garden City, Cairo 11461, Egypt

Tel: (20)-227922757

www.samafinance.com

COMPANY INFORMATION

BOARD OF DIRECTORS



Mr. Khalid Aziz Mirza
Chairman
and Non-Executive Director



Mr. Anwar Mansoor Khan
Independent
Non-Executive Director



Mr. Rashid Ahmed Jafer
Independent
Non-Executive Director



Mr. Yoshiaki Matsuoka
Non-Executive Director



Ms. Yoko Miura
Non-Executive Director



Ms. Kotoko Sato
Non-Executive Director



Mr. Ramon Alfrey
Non-Executive Director



Mr. Shaheen Amin
Chief Executive Officer

Audit and Risk Committee

Mr. Rashid Ahmed Jafer - Chairman
Ms. Yoko Miura
Ms. Kotoko Sato
Mr. Ramon Alfrey

Human Resource, Nomination and Remuneration Committee

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

Credit Committee

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

Compensation Committee

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

Chief Financial Officer

Mr. Abid Hussain Awan

Company Secretary

Mr. Nadeem Amir Ali

Head of Internal Audit and Secretary to Audit Committee

Mr. Asad Ali

Head of Compliance

Mr. Rashid Ahmed

Credit Rating by VIS

Long term entity rating AAA
Short term entity rating A1 +

Legal Advisors

M/s Mohsin Tayebaly & Co.
1st Floor, Dime Centre, BC-4, Block-9,
Kehkashan, Clifton, Karachi-75600, Pakistan

External Auditors

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

Registrar and Share Transfer Office

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

Shariah Advisor

Al Hamd Shariah Advisory Services
(Private) Limited
Flat 503, 8th Floor, Ibrahim Residency,
Plot No.64, Block 3, C.P. & Berar Society,
Karachi, Pakistan

Banks and Lending Institutions

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

Registered and Head Office

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

MEET THE TEAM



Mr. Shaheen Amin
Chief Executive Officer



Mian Faysal Riaz
Chief Operating Officer



Mr. Abid Hussain Awan
Chief Financial Officer



Mr. Imtiaz Ahmed Chaudhry
GGM & Head of Marketing



Mr. Shafiq Ur Rehman
Head - Corporate Division



Mr. Fahad Shahzad Memon
Head - Consumer Auto Division



Mr. Adnan Ishaq
Head - Commercial
Vehicle Division



Ms. Aseya Qasim
Head - Term Finance &
Agri Business



Mr. Hamood Ahmed
Head - Credit Risk
Management



Mr. Umair Alam Zia
Head - Business Control



Mr. Nadeem Amir Ali
Company Secretary &
Head - Enterprise Risk Management



Mr. Shahzad Rana Younus
Head - Information Systems



Ms. Areeba Safar Ali
Head - Human Resources



Mr. Muhammad Aslam
Head - Special
Asset Management



Mr. Muhammad Ikram
Head - IT Transformation



Mr. Asad Ali
Head - Internal Audit



Mr. Mamoon Ishaq
Head - Administration



Mr. Rashid Ahmed
Head - Compliance

CHAIRMAN'S REVIEW REPORT

On behalf of the Board of Directors, it is my privilege to present the Annual Report of OLP Financial Services Pakistan Limited for the year ended June 30, 2026.

Pakistan's economy continued its recovery during FY2026 despite a challenging global environment. Economic activity improved, supported by a recovery in industrial activity, while progress in fiscal management and external sector stability contributed to a more stable macroeconomic environment. The year, however, also witnessed renewed geopolitical tensions in the Middle East, creating uncertainty around global energy prices, trade and inflation. Against this backdrop, Pakistan demonstrated resilience while continuing its economic reform and stabilization efforts.

For OLP, the evolving environment reinforced the importance of maintaining financial resilience, disciplined risk management and a measured approach to growth, while remaining positioned to benefit from opportunities arising from improving economic activity.

OLP continues to pursue its strategy of achieving balanced growth without compromising on portfolio quality. New disbursements reached Rs. 21.07 billion compared to Rs. 19.11 billion in the previous year, reflecting continued growth in business volumes and our expanding outreach to SMEs. Total assets grew by 14.20% to Rs. 40.44 billion (June 2025 Rs. 35.41 billion), supported by portfolio growth and effective asset management. Portfolio quality also improved, as reflected in lower delinquency levels, reinforcing our continued focus on prudent risk management.

Profit before taxation increased by 7.39% to Rs. 2,161 million, while profit after taxation grew by 8.83% to Rs. 1,333 million. This performance was achieved despite pressure on yields from the equity-funded portfolio in the lower interest rate environment, reflecting the resilience of our underlying business and lower funding costs. The Company's financial strength was further reaffirmed by VIS Credit Rating Company Limited, which assigned credit ratings of "AAA" for the long term and "A1 +" for the short term.

Overall, the Board continued to perform effectively in providing strategic direction and oversight in support of the Company's objectives, as reflected in the annual evaluation conducted under the Board-approved mechanism.

As we look ahead, OLP will continue to build on its established strengths while responding to an evolving business environment. Our focus will remain on supporting the financing needs of SMEs and other productive segments of the economy, pursuing sustainable business growth and maintaining a prudent approach to risk. At the same time, we will continue to strengthen our capabilities, improve service delivery and explore opportunities that respond to the changing needs of our customers.

Our people remain central to this journey. Their experience, commitment and ability to adapt, supported by sound governance and a disciplined approach to managing risk, provide a strong foundation for OLP's continued progress.

On behalf of the Board, I extend my sincere appreciation to our employees, customers, shareholders, regulators, business partners and other stakeholders for their continued trust and support. We look forward to building on these relationships as we pursue sustainable growth and long-term value for all our stakeholders.



KHALID AZIZ MIRZA
Chairman

چیمبر مین کی جائزہ رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے، مجھے 30 جون 2026 کو ختم ہونے والے سال کے لیے OLP فی نئٹل سرورسز پاکستان لمیٹڈ کی سالانہ رپورٹ پیش کرتے ہوئے خوشی اور سی ہے۔

مالی سال 2026 کے دوران پاکستان کی معیشت نے عالمی سطح پر درپیش مشکل حالات کے باوجود اپنی بحالی کا عمل جاری رکھا۔ صنعتی سرگرمیوں میں بحالی کے باعث معاشی سرگرمیوں میں بہتری آئی، جبکہ مالیاتی انتظام میں پیش رفت اور بیرونی شعبے میں استحکام نے زیادہ مضبوط منظر و اکناک ماحول پیدا کرنے میں معاونت کی۔ تاہم، سال کے دوران مشرق وسطیٰ میں جغرافیائی سیاسی کشیدگی میں دو بار اضافہ بھی دیکھنے میں آیا، جس کے باعث عالمی سطح پر توانائی کی قیمتوں، تہذارت اور فراڈز کے حوالے سے غیر یقینی صورتحال پیدا ہوئی۔ ان حالات کے باوجود، پاکستان نے معاشی اصلاحات اور استحکام کی کوششوں کو جاری رکھتے ہوئے مضبوط فلک کا مظاہرہ کیا۔

OLP کے لیے بدلتے ہوئے معاشی ماحول نے مالیاتی مضبوطی پر قرار رکھے، خطرات کے منظم انتظام اور ترقی کے لیے متبادل حکمت عملی اپنانے کی اہمیت کو مزید اجاگر کیا، جبکہ کمپنی اپنی پوزیشن کو اس طرح برقرار رکھے ہوئے ہے کہ معاشی سرگرمیوں میں بہتری کے نتیجے میں پیدا ہونے والے مواقع سے فائدہ اٹھایا جاسکے۔

OLP پورٹ فولیو کے معیار پر سمجھوتہ کیے بغیر متوازن ترقی حاصل کرنے کی اپنی حکمت عملی پر بدستور عمل پیرا ہے۔ نئی رقم کی فراہمی 21.07 بلین روپے تک پہنچ گئی، جبکہ گزشتہ سال یہ 19.11 بلین روپے تھی، جو کاروباری حجم میں مسلسل اضافے اور چھوٹے اور درمیانے درجے کے کاروباری اداروں (SMEs) تک ہماری بڑھتی ہوئی رسائی کی عکاسی کرتی ہے۔ مؤثر اثاثہ جات کے انتظام اور پورٹ فولیو میں اضافے کی بدولت مجموعی اثاثوں میں 14.20 فیصد اضافہ ہوا اور یہ 40.44 بلین روپے تک پہنچ گئے، جبکہ جون 2025 میں یہ 35.41 بلین روپے تھے۔ پورٹ فولیو کے معیار میں بھی بہتری آئی، جو delinquency rate کی کمی سے ظاہر ہوتا ہے اور یہ خطرات کے انتظام پر ہماری مسلسل توجہ کو مزید تقویت دیتا ہے۔

تخلی از ٹیکس منافع میں 7.39 فیصد اضافہ ہوا اور یہ 2.161 بلین روپے تک پہنچ گیا، جبکہ بعد از ٹیکس منافع میں 8.83 فیصد اضافہ ہوا اور یہ 1.333 بلین روپے رہا۔ یہ کارکردگی کم شرح سود کے ماحول میں ایکویٹی سے مالی اعانت یافتہ پورٹ فولیو کی بیلڈ ز پر دیا کے باوجود حاصل کی گئی، جو ہمارے بنیادی کاروبار کی مضبوطی اور فنڈنگ کی لاگت میں کمی کی عکاسی کرتی ہے۔ کمپنی کی مالیاتی مضبوطی کی مزید توثیق VIS کریڈٹ رینٹنگ کمپنی لمیٹڈ کی جانب سے کی گئی، جس نے طویل مدتی "AAA" اور قلیل مدتی "A1+" کریڈٹ درجہ بندی تفویض کی ہے۔

مجموعی طور پر، بورڈ نے کمپنی کے مقاصد کی معاونت میں حکمت عملی کی سمت اور مؤثر نگرانی فراہم کرنے کے لیے اپنا کردار مؤثر انداز میں جاری رکھا، جس کی عکاسی بورڈ سے منظور شدہ طریقہ کار کے تحت کیے گئے سالانہ جائزے سے بھی ہوتی ہے۔

مستقبل کی جانب دیکھتے ہوئے، OLP بدلتے ہوئے کاروباری ماحول کے مطابق اپنی حکمت عملی میں ضروری رد و بدل کرتے ہوئے اپنی قائم شدہ مضبوطیوں کو مزید مستحکم کرتی رہے گی۔ ہماری توجہ بدستور SMEs اور معیشت کے دیگر پیداواری شعبوں کی مالیاتی ضروریات پر مبنی رہے گی، پائیدار کاروباری ترقی کے حصول اور خطرات کے حوالے سے متبادل حکمت عملی پر قرار رکھنے پر مرکوز رہے گی۔ اس کے ساتھ ساتھ، ہم اپنی صلاحیتوں کو مزید مضبوط بنانے، خدمات کی فراہمی کو بہتر بنانے اور اپنے صارفین کی بدلتی ہوئی ضروریات کے مطابق مواقع تلاش کرنے کا عمل جاری رکھیں گے۔

اس سفر میں ہمارے لوگ بدستور مرکزی حیثیت رکھتے ہیں۔ ان کا تجربہ، عزم اور بدلتے حالات کے مطابق خود کو ڈھالنے کی صلاحیت، مضبوط گورننس اور خطرات کے انتظام کے لیے منظم اور جتنا طریقہ کار کے ساتھ مل کر OLP کی مسلسل پیش رفت کے لیے ایک مضبوط بنیاد فراہم کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے، میں اپنے تمام اسٹیک ہولڈرز اور ملازمین کا تہذول سے شکریہ ادا کرتا ہوں کہ جنہوں نے اس مشکل وقت میں کمپنی کو چلانے میں عزم اور لگن کے ساتھ اپنا حصہ ڈالا اور سال کے دوران ریکوری لیزر کی مسلسل رہنمائی اور تعاون کا بھی شکریہ ادا کرتا ہوں۔

خالد عزیز مرزا
چیمبر مین

DIRECTORS' REPORT

On behalf of the Board of Directors, we are pleased to present the fortieth annual report of OLP Financial Services Pakistan Limited (OLP/ the Company) together with the Unconsolidated Financial Statements for the year ended June 30, 2026.

The Company

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

Overview of the Economy

Pakistan's economy continued its recovery during FY2026 despite a challenging global environment. Real GDP recorded provisional growth of 3.7%, compared with 3.2% in the previous year, supported by improvement across major sectors of the economy.

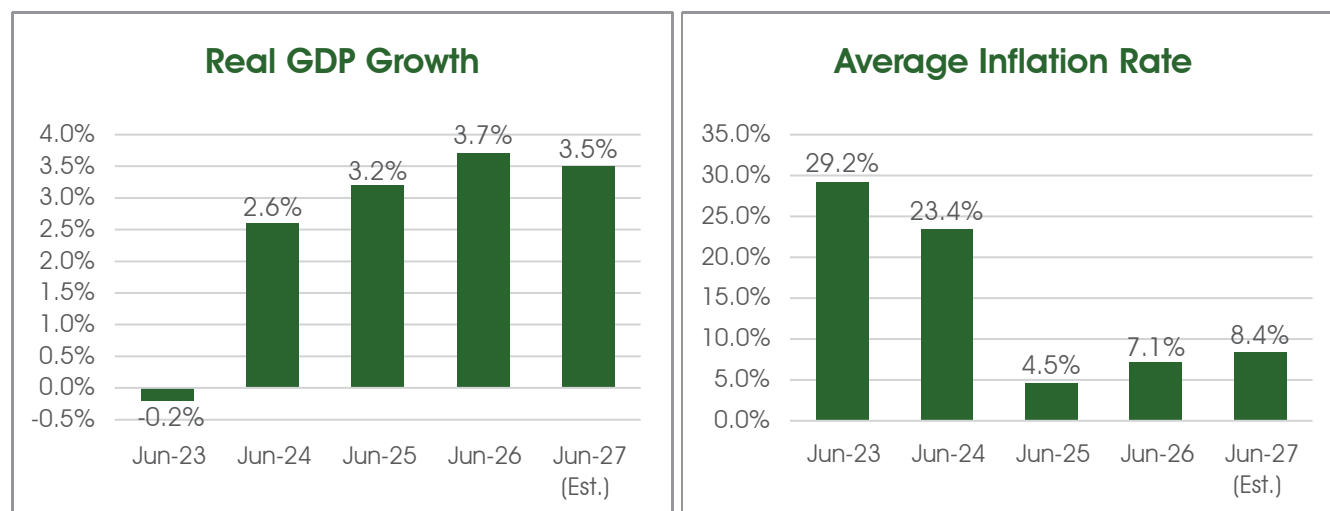
Industrial activity strengthened during the year, while improved revenue mobilization and prudent expenditure management contributed to a stronger fiscal position. Large-Scale Manufacturing (LSM) remained on a recovery path, recording growth of 5.8% during July-May FY2026, compared with a contraction of 1.1% in the corresponding period last year. The automobile sector exhibited encouraging performance during FY2026, with sales of passenger cars increasing by 39%, jeeps & pick-ups by 41% and trucks & buses by 61% compared with the previous year. This improvement is particularly relevant to OLP considering the significant contribution of vehicle financing to the Company's business.

Inflation remained relatively contained during much of FY2026 but increased towards the end of the year, partly reflecting higher energy and transportation costs. National CPI inflation stood at 11.1% in June 2026, compared with 11.7% in May 2026 and 3.2% in June 2025. Average inflation for FY2026 was 7.1%, compared with 4.5% in FY2025. The State Bank of Pakistan's policy rate stood at 11.5% at June 30, 2026, compared with 11.0% at the end of the previous financial year.

Pakistan's external position remained broadly stable during the year, supported by strong remittance inflows and improved foreign exchange reserves. However, geopolitical tensions in the Middle East increased uncertainty in the global environment, particularly through volatility in energy prices, freight costs and supply chains.

Reflecting improvement in Pakistan's macroeconomic and external position, S&P Global Ratings upgraded Pakistan's long-term sovereign credit rating to 'B' from 'B-' in July 2026. Looking ahead, the Government has targeted real GDP growth of 4.0% for FY2027, while the IMF projects growth of 3.5%, indicating continued economic recovery at a measured pace.

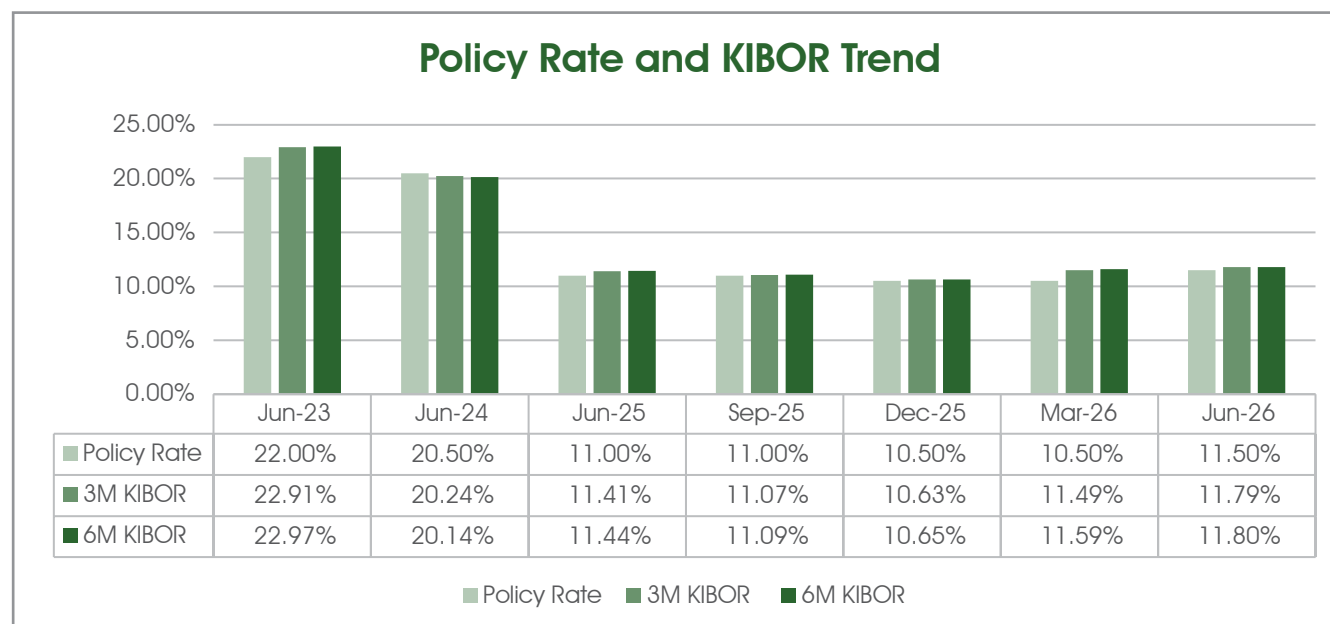
The following key indicators summarize the principal macroeconomic trends influencing Pakistan's operating environment and the Company's financial performance:



Source: Pakistan Economic Survey 2025-26; IMF (FY2027 projection).

Source: Pakistan Bureau of Statistics (PBS); IMF (FY2027 projection).

The State Bank of Pakistan maintained a cautious and responsive monetary policy stance during the financial year 2025-26 amid evolving inflationary and external sector conditions, including uncertainties arising from the Middle East conflict. The policy rate was reduced from 11.0% to 10.5% in December 2025, before being increased to 11.5% in April 2026, where it remained through June 30, 2026. Despite external pressures during the latter half of the year, prudent monetary and fiscal management helped preserve overall macroeconomic stability. The Karachi Interbank Offered Rate (KIBOR) broadly tracked these movements, while benchmark rates remained significantly below the elevated levels witnessed in earlier years, contributing to the Company's lower average funding costs. The policy rate and KIBOR movement during the years are presented below:



Source: State Bank of Pakistan - Monetary Policy Statements and KIBOR Rates.

Pakistan's Federal Budget for FY2027 was announced in June 2026. Total expenditure is budgeted at Rs. 18.77 trillion, representing an increase of 20% over the revised budgeted expenditure for FY2026. Gross revenue receipts are projected at Rs. 20.60 trillion, including FBR tax revenue of Rs. 15.26 trillion, representing an increase of approximately 17.6% over the revised estimate for FY2026. The FY2027 budget targets an overall fiscal deficit of 3.6% of GDP.

Business Review

OLP entered the financial year 2027 from a position of operating resilience, supported by a gradually improving macroeconomic environment and greater economic stability. Building on these developments, the Company remains focused on disciplined business growth, prudent risk management, cost optimization and sustained operating efficiency.

Business momentum remained positive, with disbursements increasing by 10.28% to Rs. 21.07 billion from Rs. 19.11 billion in the previous year. Vehicle leasing and financing, comprising commercial vehicles and saloon cars, remained the principal origination segment and represented 84.05% of total disbursements. Consequently, the finance and lease portfolio expanded by 13.52% to Rs. 32.92 billion as of June 30, 2026, compared with Rs. 29.00 billion in the previous year.

The Company's nationwide network of 30 branches supported broad-based customer access while maintaining effective concentration controls. As of June 30, 2026, the largest single-customer exposure represented only 0.55% of the Company's total portfolio. The portfolio's asset mix remained anchored in vehicles at 82.84%, followed by plant and machinery at 11.10%.

Portfolio quality improved further during the year with delinquency level falling to 1.94% of portfolio from 2.26% last year. This improvement was supported by disciplined origination, strengthened risk selection, active portfolio surveillance and close monitoring of overdue exposures. Management continued to pursue effective resolution and recovery strategies for long-outstanding accounts, while ensuring timely remedial action on newly delinquent cases.

As part of its efforts to strengthen and diversify its funding base, during the year, the Company successfully added a new financial institution to its borrowing portfolio. This represents a notable achievement in broadening the Company's financing relationships and enhancing access to diverse funding sources.

A revaluation of the Company's leasehold land and office building was carried out as at June 30, 2026, resulting in a revaluation gain of Rs. 195 million after accounting for deferred tax. The revaluation further strengthened the Company's equity position and reflected the updated value of the underlying assets.

Yanal Finance Company, OLP's associated company operating in the Kingdom of Saudi Arabia, remained profitable. OLP's share of profit from the associate amounted to Rs. 129.22 million (FY2025: Rs. 154.26 million), representing a decrease of 16.23% over the previous year.

OLP Modaraba (OLPM), in which the Company and its subsidiary have a 20% equity stake together with substantive decision-making authority over OLPM's key operating and financial policies reported net profit of Rs. 160.71 million for the year, which was 7.68% lower than the previous year's net profit of Rs. 174.08 million. OLPM declared a cash dividend of 25% for the year ended June 30, 2025, which was received by OLP in the current year.

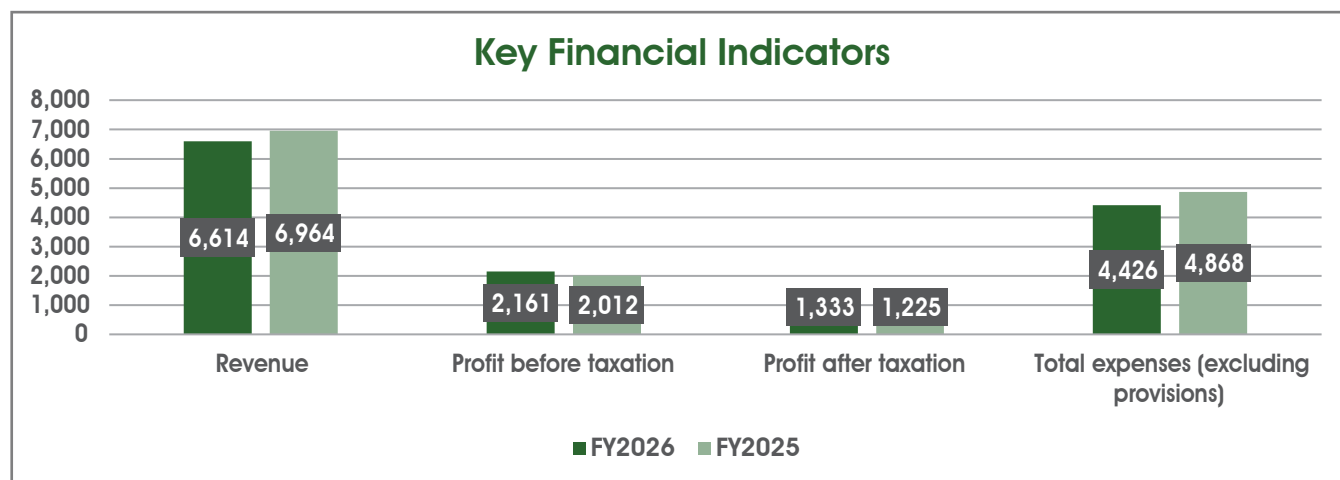
Financial Performance

TOTAL ASSETS Rs. 40,447.02 million 14.20% growth	NEW DISBURSEMENTS Rs. 21,071.68 million 10.28% growth	FINANCE AND LEASE PORTFOLIO Rs. 32,923.63 million 13.52% growth	RETURN ON ASSET 3.52% (June 30, 2025: 3.64%)
ANNUAL REVENUE Rs. 6,614.19 million 5.02% lower	PROFIT BEFORE TAXATION Rs. 2,161.19 million 7.39% growth	PROFIT AFTER TAXATION Rs. 1,333.71 million 8.83% growth	RETURN ON EQUITY 11.93% (June 30, 2025: 11.47%)

The above dashboard reflects strong growth in the Company's portfolio and asset base, improved profitability and sustained returns, despite lower yields in the prevailing interest rate environment.

The Company's financial results are summarized below:

	2026	2025
	-----Rupees-----	
Profit before levies & taxation	2,161,196,493	2,012,384,635
Taxation	827,481,030	786,913,599
Profit for the year after taxation	1,333,715,463	1,225,471,036
Appropriations : transfer to statutory reserve	66,685,773	61,273,552
: Interim dividend	350,815,294	350,815,294
: Final dividend	701,630,588	613,926,765
Earnings per share – basic and diluted	1,052,445,882 7.60	964,742,059 6.99



OLP delivered resilient earnings growth in FY2026 despite pressure on margins in a declining interest-rate environment. Profit before taxation increased by 7.39% to Rs. 2.16 billion from Rs. 2.01 billion in FY2025, while profit after taxation grew by 8.83% to Rs. 1.33 billion from Rs. 1.22 billion. This performance was driven by portfolio expansion, stronger core operating results and lower average funding costs, which more than offset the impact of reduced yields on the equity-funded portion of the portfolio and lower investment income. The results reflect the Company's effective balance-sheet management and ability to sustain profitability amid evolving market conditions.

Dividend

The Board of Directors is pleased to recommend a final cash dividend of 40% for the year ended June 30, 2026. This is in addition to interim cash dividend of 20% paid during the year which brings the total dividend for the year to 60% (2025: total cash dividend of 55%).

Revenue

The Company reported annual revenue of Rs. 6,614.19 million, which was 5.02% lower than Rs. 6,963.69 million earned in the previous year. The decrease primarily reflected the rapid transmission of lower benchmark rates into asset yields; however, portfolio growth and expansion of the earning-asset base partially mitigated the impact. Income from the lease and loan portfolio decreased by 4.32% to Rs. 5,637.92 million from Rs. 5,892.41 million in FY2025. Successive downward KIBOR repricing compressed portfolio yields, while 13.52% growth in the lease and loan portfolio provided a meaningful volume offset.

Other income decreased by 7.63% to Rs. 847.05 million compared to Rs. 917.02 million in the previous year. The decline was primarily attributable to lower income from financial assets, which decreased to Rs. 254.19 million from Rs. 478.62 million last year mainly due to a reduction in interest income earned on Government securities to Rs. 215.23 million from Rs. 428.96 million last year amid the lower benchmark interest rate environment and reduction in average volume of Government securities. This impact was partially offset by an increase in income from other than financial assets to Rs. 592.86 million from Rs. 438.40 million. Included in other financial assets are fees and other income which increased to Rs. 409.90 million from Rs. 235.31 million, primarily due to the write-back of long-outstanding liabilities amounting to Rs. 148.22 million, while documentation fee income increased to Rs. 57.74 million from Rs. 40.18 million.

Cost Management and Operating Efficiency

Total expenses, excluding provisions for potential lease, loans and other losses, declined by 9.06% to Rs. 4,426.71 million from Rs. 4,867.57 million in FY2025. The reduction was primarily attributable to lower finance cost during the year.

- Despite an increase in total borrowings to Rs. 24,791 million from Rs. 21,462 million in the previous year, finance cost decreased by 14.66% to Rs. 2,695.34 million compared to Rs. 3,158.17 million in the previous year. The reduction was primarily attributable to lower average benchmark rates prevailing during the year, which resulted in reduced funding costs.
- Administrative and general expenses increased marginally by 1.10% to Rs. 1,693.59 million in FY2026 from Rs. 1,675.22 million in FY2025. Higher depreciation, vehicle running and maintenance, office repairs and maintenance and auditors' remuneration represent necessary expenditure to maintain operating infrastructure and business support. These increases were substantially offset by lower staff costs, rent and utilities, legal and professional charges and subscriptions underscoring continued cost discipline.
- Direct cost increased by 10.56% to Rs. 37.78 million compared with Rs. 34.17 million in FY2025. The increase is primarily attributable to higher maintenance and insurance costs associated with the lease and loan financing portfolio, which rose to Rs. 23.56 million from Rs. 18.47 million. This increase was partially offset by a reduction in other ancillary documentation services such as court fees, stamp duty and others by Rs. 1 million.

Reversal of expected credit loss / provision for lease, loans and finances

The non-performing portfolio, comprising exposures over 90 days past due, reduced to Rs. 639.09 million as of June 30, 2026 from Rs. 655.18 million in FY2025, reflecting continued asset-quality optimization. The Company recorded a reversal of provision charge of Rs. 14.97 million compared to a reversal of Rs. 142.64 million in FY2025.

Provisions for potential lease and loan losses are maintained under the IFRS 9 Expected Credit Loss (ECL) framework and supplemented, where appropriate, by subjective provisions applied as management overlays. Accumulated provisions stood at Rs. 604 million and provided 94.55% coverage against all accounts over 90 days past due (FY2025: 100%), reinforcing the Company's prudent credit-risk posture.

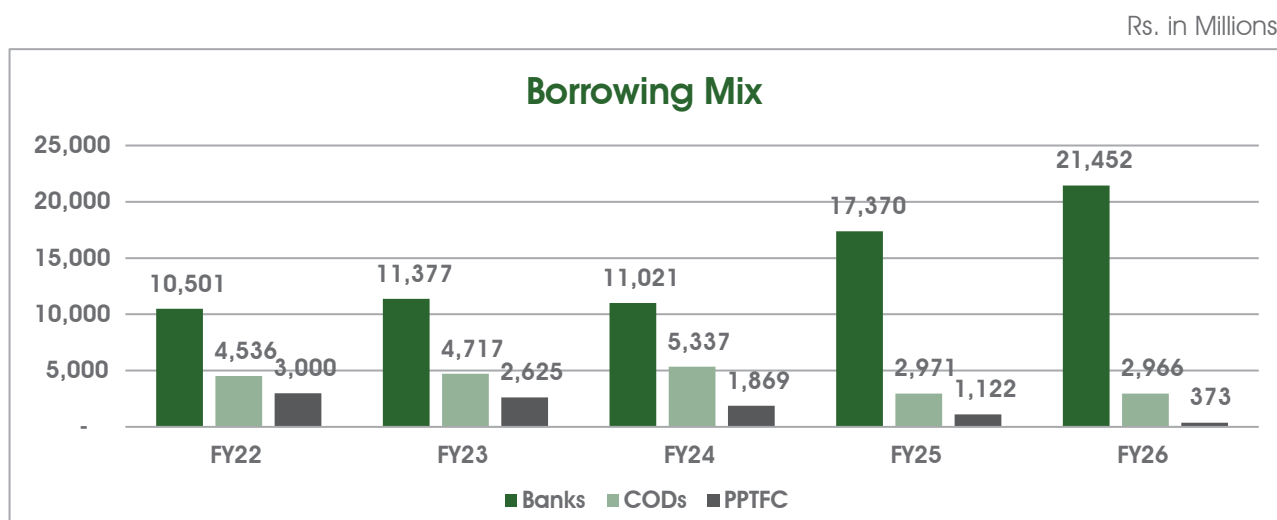
Taxation

Tax expense of Rs. 827.48 million was recorded for the year, compared to Rs. 786.91 million in the preceding year; a variance of 5.16%. The charge includes super tax of 10%.

Funding and Liquidity

The Company maintains a diversified funding mix comprising bank loans, Certificates of Deposit (COD) and Privately Placed Term Finance Certificates (PPTFC). Relationships with eleven financial institutions provide access to secured long-term facilities and competitive overdraft lines, while unsecured COD funding from individual and institutional investors broadens the liability base and supports liquidity resilience.

The composition and evolution of OLP's borrowing mix is presented below:



As of June 30, 2026, the Company's debt-to-equity ratio stood at 2.16 (June 30, 2025: 1.97), reflecting higher balance-sheet leverage deployed in support of portfolio growth. The Capital Adequacy Ratio remained robust at 26.01% (June 30, 2025: 27.40%); substantially above the regulatory requirement of 10% and providing a strong capital buffer for growth and risk absorption.

Risk Management

OLP has established a risk management framework for the identification, assessment, monitoring and management of risks arising from its business activities. The framework facilitates proactive identification and management of potential risks through:

- Oversight by the Board and its committees;
- Multi-tier supervision by senior management, departmental heads and management committees;
- Board-approved policies and procedures;
- Internal control mechanisms; and
- IT systems and related controls.

The risk management framework and related policies and practices are reviewed periodically to take account of changes in business dynamics, regulatory requirements and the Company's strategic priorities.

The Board Audit & Risk Committee (BA&RC), comprising four directors and chaired by an Independent Director, provides Board-level oversight of the Company's risk management framework and reviews key risk matters reported to it. Management and relevant management committees are responsible for implementing Board-approved policies and managing risks within their respective areas, while day-to-day risk management responsibilities are assigned across the relevant business and support functions.

OLP has implemented an Enterprise Risk Management (ERM) framework across its functions to provide a structured and consistent approach towards the identification, assessment, monitoring and reporting of key risks. The framework facilitates periodic reporting of key risks and related mitigation measures to management and the BA&RC, supporting oversight of the Company's overall risk profile and emerging risk areas.

OLP continues to strengthen its risk management practices through ongoing monitoring, periodic risk assessments and review of controls in response to changes in the operating and regulatory environment. The following sections outline the risk management measures adopted by the Company to address its principal risk areas.

Credit Risk

OLP maintains Board-approved Credit Risk Policies that establish a comprehensive framework for extending credit across various economic segments and product lines. These policies provide clear parameters for credit assessment, exposure limits, monitoring and risk mitigation, enabling the Company to manage credit risk effectively while responding to evolving market conditions.

The Credit Risk Management Department (CRMD) is responsible for overseeing adherence to the approved credit risk framework and reporting to the Management Credit Committee and the Board Credit Committee. The Company places strong emphasis on portfolio monitoring, early identification of emerging risks and continuous enhancement of credit risk management tools and practices to support sustainable business growth.

OLP employs a range of analytical tools and credit assessment techniques to evaluate the creditworthiness of corporate customers at origination and subsequent reporting dates, with a focus on identifying any signs of credit deterioration at an early stage. CRMD closely monitors higher-risk sectors and exposures, escalates emerging concerns to senior management and works closely with the Marketing Department to implement appropriate measures for managing portfolio risks.

The effectiveness of OLP's credit risk management framework is reflected in the quality and diversification of its financing portfolio, supported by a consistently low level of non-performing loans. The Company remains committed to maintaining prudent underwriting standards, strengthening portfolio oversight and proactively managing emerging credit risks.

Liquidity Risk & Market Risk

The Board-approved Asset Liability Management Policy defines the Company's risk appetite for liquidity and market risk, with oversight exercised through the Asset Liability Management Committee (ALCO). ALCO reviews market conditions, profitability, liquidity, funding requirements, ALM ratios and projected liquidity requirements each month. Liquidity risk is managed through a diversified funding mix, committed credit lines and disciplined matching of lending and borrowing profiles.

The liquidity contingency plan provides alternative funding strategies and maintains liquidity reserves in Government securities, in addition to liquid securities held for statutory compliance. ALCO manages interest-rate exposure through pricing strategy, market-rate monitoring and active alignment of asset and liability repricing profiles.

Interest-rate risk is contained by matching the repricing characteristics of a substantial portion of the lease / loan portfolio with the Company's financial obligations within approved limits. Where necessary, management may reposition assets and liabilities or execute interest-rate swaps. Asset pricing incorporates an adequate margin buffer to absorb rapid benchmark-rate movements.

Operational Risk

OLP has established policies and procedures for the systematic management of operational risks, which are reviewed periodically to remain relevant to changes in the operating and regulatory environment. Operational risks are managed through defined internal controls, segregation of responsibilities, ongoing monitoring and escalation of significant matters for appropriate corrective action. The Internal Audit, Risk Management and Compliance functions provide independent assurance, risk oversight and compliance monitoring respectively in accordance with their defined mandates. The Compliance Function also monitors adherence to applicable regulatory requirements and related controls on an ongoing basis.

Particular focus is maintained on areas such as system disruptions, breaches of internal controls, fraud and forgery, information security and regulatory compliance. OLP continues to strengthen its control environment through enhancement of IT security, clearly defined responsibilities, process improvements, automation and employee development. Orientation and training are provided to new and existing employees on relevant policies and regulatory requirements, including the Company's Code of Conduct, Anti-Money Laundering, Anti-Fraud and Whistleblowing Policies to promote awareness of internal controls, regulatory responsibilities and ethical standards.

Sustainability in Action

Environmental, Social and Governance (ESG) considerations remain an important part of OLP's approach towards responsible business practices and long-term sustainability. During the year, the Company continued to review and strengthen its ESG framework in line with evolving regulatory requirements and with due consideration to the nature, scale and complexity of its business.

The Company continued to focus on developing a practical and proportionate approach towards the identification and management of sustainability-related risks and opportunities. OLP also continued to assess developments in the sustainability landscape, including the Pakistan Green Taxonomy, with a view to progressively explore sustainable and green financing opportunities that are relevant to its business model, subject to commercial viability and the Company's risk appetite. This direction is consistent with the principles reflected in the Company's developing ESG framework.

The Board Audit & Risk Committee (BA&RC) provides oversight of sustainability-related matters under its Terms of Reference. The Company remains committed to progressively strengthening its ESG practices and disclosures in line with applicable regulatory requirements and emerging sustainability practices.

As part of its environmental initiatives, the Company continues to meet a sizeable portion of the energy requirements at its Head Office through renewable energy sources. OLP will continue to explore opportunities for promoting environmentally responsible practices within its operations and financing activities.

Corporate Social Responsibility

Alongside its sustainability initiatives, OLP's Corporate Social Responsibility (CSR) activities reflect its commitment to supporting the communities it serves. The Company continued to extend financial assistance to institutions working in the areas of healthcare, education and community welfare, particularly for underserved segments of society.

During the year, OLP continued its support for healthcare institutions, including The Layton Rahmatullah Benevolent Trust (LRBT), Indus Hospital & Health Network, Shaukat Khanum Memorial Trust and The Kidney Centre PGTI. Contributions were also made to the Muhammadi Blood Bank and Thalassemia Centre in support of specialized healthcare services.

In the field of education, OLP supported institutions providing educational opportunities to underserved communities, including The Citizens Foundation, Family Educational Services Foundation and Behbud Association Karachi. The Company also contributed to the IBP School of Special Education, supporting the education and development of children with special needs.

OLP also extended assistance to organizations engaged in community welfare and humanitarian relief. During the year, the Company supported flood-relief activities undertaken by Al-Khidmat Welfare Society in affected areas of Khyber Pakhtunkhwa, providing assistance to communities impacted by the floods.

Nurturing Talent, Culture and Purpose

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

OLP supports career development through merit-based performance management, internal mobility and opportunities for career progression, enabling employees to build meaningful and sustainable career paths within the organization.

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

By nurturing fairness, continuous learning, career growth, recognition and collaboration, OLP strives to create a supportive and inclusive workplace where employees are empowered to perform, develop their capabilities and contribute to the Company's long-term success. OLP firmly believes that investing in its human capital is essential to driving both the short-term performance and long-term growth of its people and the Company.

Diversity, Inclusion and Equality

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

For the year ended June 30, 2026, the Company reported a Mean Gender Pay Gap of 31.2% and a Median Gender Pay Gap of 22.5%. We acknowledge the need for continued progress and remain committed to reducing these gaps by enabling equal opportunities for growth and leadership.

As part of embedding DEI principles into its culture, OLP offered internship opportunities to a record number of female candidates entering the financial industry. OLP also promotes equal opportunity through merit-based recruitment, career advancement and equitable access to learning and development opportunities, while encouraging diversity across leadership and management positions. These initiatives further reinforce OLP's commitment to building an equitable and representative workplace. The Company also maintains a Protection against Harassment Policy in line with prevailing laws and regulations, strengthening safeguards against discrimination and harassment.

Corporate Governance, Internal Control and Compliance

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

The Board of Directors heads OLP's governance structure. The Board comprised 2 independent directors, 5 non-executive directors and 1 executive director (chief executive as deemed director). To discharge their duties more effectively, the Board has constituted the following sub-committees:

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

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

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

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

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

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

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

Board of Directors and Board Committees

The composition of the Board of Directors and its sub-committees is given in the Statement of Compliance at page no. 51.

Evaluation of the Performance of the Board

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

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

Board's Remuneration Policy

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

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

Compliance with Pakistan Stock Exchange Limited (PSX) Regulations

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

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

Directors' Declaration

1. The financial statements of the Company fairly represent its financial state of affairs, the results of its operations, cash flows and changes in equity.
2. Proper books of accounts of the Company have been maintained.
3. Appropriate accounting policies have been consistently applied in the preparation of financial statements, and accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards as applicable in Pakistan have been followed in the preparation of financial statements, and any departure has been adequately disclosed and explained.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There is no reason to doubt the Company's ability to continue as a going concern.
7. Details of significant deviations in the Company's operating results during the year ended June 30, 2026, are stated within the Directors' Report.
8. Key operating and financial data for the last six years in a summarized form is given at page no. 61.
9. There are no statutory payments on account of taxes, duties, levies and charges outstanding as on June 30, 2026, except for those disclosed in the financial statements.
10. The value of investments of the recognized provident fund as at June 30, 2026, was Rs 965 million (unaudited), and as at June 30, 2025, was Rs 942 million (audited).
11. The value of investments of the Company's recognized gratuity fund as at June 30, 2026, was Rs 393.45 million (unaudited), and as at June 30, 2025, was Rs 377.53 million (audited).

12. Five (05) out of eight (08) directors of the Company, including the Chief Executive Officer as a deemed director, have either acquired certification under the Directors' Training Program (DTP) or have exemption from the DTP requirement. Two directors, Ms. Yoko Miura and Ms. Kotoko Sato, who were appointed during the year, are within the period prescribed under the Listed Companies (Code of Corporate Governance) Regulations, 2019 for acquiring DTP certification.

In respect of one independent director, Mr. Anwar Mansoor Khan, the Company has adopted the "comply or explain" approach under the Listed Companies (Code of Corporate Governance) Regulations, 2019. Mr. Khan is a Senior Advocate of the Supreme Court of Pakistan and has served as Attorney General for Pakistan, Advocate General for the Province of Sindh and Judge of the High Court of Sindh. Considering his extensive legal, corporate and governance experience spanning over four decades, the Company considers his knowledge and experience to effectively meet the objectives of the Directors' Training Program.

13. During the year, 06 meetings of the Board of Directors, 06 meetings of the Board Audit & Risk Committee, 01 meeting each of the Board Human Resource Nomination and Remuneration Committee and Board Credit Committee were held.

Composition of the Board

The Board comprises 08 directors including six (6) male and two (2) female directors. One (1) of the female directors serves as the designated Female Director as required by Regulation 7 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The composition of the Board is as follows:

Independent Directors	Mr. Rashid Ahmed Jafer Mr. Anwar Mansoor Khan
Non-Executive Directors	Mr. Khalid Aziz Mirza Mr. Yoshiaki Matsuoka Mr. Ramon Alfrey
Female Directors	Ms. Yoko Miura Ms. Kotoko Sato
Executive Director*	Mr. Shaheen Amin

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

Board of Directors' Meetings

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

Name of Director	Meetings Attended	Name of Director	Meetings Attended
Mr. Khalid Aziz Mirza	6	Ms. Keiko Watanabe[1] (Non-resident)	2
Mr. Rashid Ahmed Jafer	6	Ms. Yoko Miura[2] (Non-resident)	3
Mr. Anwar Mansoor Khan	6	Mr. Kazuhito Inoue[3] (Non-resident)	4
Mr. Yoshiaki Matsuoka (Non-resident)	4	Ms. Kotoko Sato[4] (Non-resident)	2
Mr. Ramon Alfrey	6	Mr. Shaheen Amin	6

[1] Resigned as Director with effect from September 25, 2025.

[2] Appointed as Director on October 07, 2025.

[3] Resigned as Director with effect from March 5, 2026.

[4] Appointed as Director on March 16, 2026.

Board Audit and Risk Committee's Meetings

Name of Director	Meetings Attended	Name of Director	Meetings Attended
Mr. Rashid Ahmed Jafer	6	Mr. Kazuhito Inoue[3] (Non-resident)	3
Ms. Keiko Watanabe[1] (Non-resident)	1	Ms. Kotoko Sato[4] (Non-resident)	3
Ms. Yoko Miura[2] (Non-resident)	4	Mr. Ramon Alfrey	6

[1] Resigned as Director with effect from September 25, 2025.

[2] Appointed as Director on October 07, 2025.

[3] Resigned as Director with effect from March 5, 2026.

[4] Appointed as Director on March 16, 2026.

Human Resource Nomination and Remuneration Committee's Meetings

Name of Director	Meetings Attended	Name of Director	Meetings Attended
Mr. Anwar Mansoor Khan	1	Mr. Yoshiaki Matsuoka (Non-resident)	1
Mr. Khalid Aziz Mirza	1	Mr. Shaheen Amin	1

Credit Committee's Meeting

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

Board Changes

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

- 1) Ms. Yoko Miura was appointed as a non-executive director on October 7, 2025, in place of Ms. Keiko Watanabe, and was designated as the Female Director of the Company. Her approval from SECP was received on January 26, 2026.
- 2) Ms. Kotoko Sato was appointed as a non-executive director on March 16, 2026 in place of Mr. Kazuhito Inoue. Her approval from SECP was received on June 10, 2026.
- 3) Ms. Keiko Watanabe resigned as Director with effect from September 25, 2025.
- 4) Mr. Kazuhito Inoue resigned as Director with effect from March 05, 2026.

The Board of Directors places on record its appreciation for services rendered by Ms. Keiko Watanabe and Mr. Kazuhito Inoue. Further, the Board welcomes Ms. Yoko Miura and Ms. Kotoko Sato as directors on the Board of OLP.

Credit Rating

On September 11, 2026, VIS Credit Rating Company Limited (VIS) re-assigned the Company a long-term entity rating of 'AAA' (Triple A) and a short-term entity rating of 'A1 +' (A One Plus), with a Stable Outlook. The ratings reflect the Company's strong financial profile, sound governance framework and exceptional capacity to meet financial commitments, reinforcing its position among Pakistan's leading non-banking financial institutions.

Major Shareholder

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

Pattern of Shareholding

The pattern of shareholding as at June 30, 2026 is given at page no. 263.

Auditors

M/s. KPMG Taseer Hadi & Co., Chartered Accountants, were appointed as external auditors of the Company for the year ended June 30, 2026, their second consecutive year in that capacity. They retire at the conclusion of the forthcoming Annual General Meeting.

KPMG International has confirmed that it will exit its practice in Pakistan at the end of October 2026, after which the firm will no longer be a member of an international accounting network. The Company's principal shareholder, ORIX Corporation, Japan, requires its group companies to be audited by a member firm of one of the Big Four international accounting networks. In addition, the Board of Directors considers it essential that the external auditors of the Company, as a listed financial institution, have a recognized international affiliation.

Accordingly, on the recommendation of the Board Audit Committee, the Board of Directors recommends that the shareholders, at the Annual General Meeting to be held on October 22, 2026, appoint M/s. A.F. Ferguson & Co., Chartered Accountants, a member firm of the PwC network, as external auditors of the Company for the year ending June 30, 2027, at a remuneration to be agreed.

Future Outlook

Pakistan's economy is expected to maintain its recovery momentum in FY2027, supported by improved macroeconomic fundamentals, continued expansion in manufacturing activity, fiscal consolidation and a relatively stable financial environment. Manufacturing activity is expected to remain positive, supported by energy availability, improving domestic demand and continued export-oriented production.

Notwithstanding these positive developments, the operating environment remains exposed to domestic and external uncertainties. Inflationary pressures, particularly those arising from movements in global energy and commodity prices, together with geopolitical developments in the Middle East, may influence the pace of economic activity and financing conditions. Climate-related risks and increasing competition within the financial sector also remain important considerations for the business environment.

Against this backdrop, OLP will continue to pursue growth with a prudent approach to risk, while capitalizing on opportunities arising from improving economic activity and evolving customer needs. The Company will remain focused on supporting the financing needs of SMEs, broadening access to financial solutions, deepening its engagement with underserved sectors and leveraging innovative offerings to strengthen resilience and create sustainable long-term value for its stakeholders.

Acknowledgement

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

On behalf of the Board



SHAHEEN AMIN
Chief Executive Officer
September 17, 2026



Ramon Alfrey
Director

گریڈ ریٹنگ:

پاکستان گریڈ ریٹنگ ایجنسی (VIS) نے 11 ستمبر 2026 کو کمپنی کی طویل مدتی 'AAA' (نریل A) اور A1+ (A) (ان پاس) قلیل مدتی وچہ بندی رد قرار رکھی ہے۔ یہ وچہ بندی کمپنی کی مضبوط مالیاتی پوزیشن، منظم گورننس فریم ورک اور مالی ذمہ داریوں کی تکمیل کی غیر معمولی صلاحیت کی عکاسی کرتی ہیں، جس سے پاکستان کے نمایاں نان بینکنگ مالیاتی اداروں میں کمپنی کی پوزیشن مزید منظم ہوتی ہے۔

بڑے حصص یافتگان:

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

حصص داری کی ساخت:

30 جون 2026 تک حصص داری کی ساخت صفحہ نمبر 263 پر دی گئی ہے۔

آڈیٹرز:

30 جون 2026 کو ختم ہونے والے سال کے لیے میسرز کے بی ایم جی ٹاٹو ہاؤس پرائیویٹ لمیٹڈ، چارٹرڈ اکاؤنٹنٹس کا بطور کمپنی کے بیرونی آڈیٹرز کے طور پر تقرر کیا گیا تھا، اور اس حیثیت میں ان کا یہ مسلسل دوسرا سال تھا۔ دو آئندہ سالانہ اجلاس عام کے اختتام یا پانچ مدت پوری ہونے پر ریٹائر ہو جائیں گے۔

کے بی ایم جی ٹاٹو ہاؤس نے تصدیق کی ہے کہ وہ اکتوبر 2026 کے اختتام پر پاکستان میں اپنی پریکٹس قائم کرے گا، جس کے بعد یہ فرم کسی بین الاقوامی اکاؤنٹنٹس ٹیسٹ ورک کی رکن نہیں رہے گی۔ کمپنی کے مرکزی حصص یافتہ ORIX کارپوریشن، جاپان، کی پالیسی کے مطابق اس کے گروپ کی کمپنیوں کا آڈٹ پبلک فور کے بین الاقوامی اکاؤنٹنٹس ٹیسٹ ورکس میں سے کسی ایک کی رکن فرم سے کر لیا جانا ضروری ہے۔ مزید برآں، بورڈ آف ڈائریکٹرز یہ سمجھتے ہیں کہ کمپنی جیسے ایک دفن مالیاتی ادارے کے بیرونی آڈیٹرز کا کسی تسلیم شدہ بین الاقوامی اکاؤنٹنٹس ٹیسٹ ورک سے وابستہ ہونا ضروری ہے۔

چنانچہ، بورڈ کی آڈٹ کمیٹی کی گزارش پر، بورڈ آف ڈائریکٹرز نے 22 اکتوبر 2026 کو متفقہ ہونے والے سالانہ جنرل اجلاس میں حصص یافتگان میسرز الیف فرم کو بین الاقوامی چارٹرڈ اکاؤنٹنٹس، پی سی وائی سیٹ ورک کی رکن فرم ہے، کو 30 جون 2027 کو ختم ہونے والے سال کے لیے کمپنی کے بیرونی آڈیٹرز کے طور پر تقرری کی سفارش کی ہے جبکہ ان کا معاوضہ باہمی رضامندی سے طے کیا جائے گا۔

مستقبل کا جائزہ:

توقع ہے کہ مالی سال 2027 میں پاکستان کی معیشت اپنی بحالی کی رفتار بد قرار رکھے گی، جسے بہتر مجموعی معاشی بنیادوں، مینوفیکچرنگ کی سرگرمیوں میں مسلسل توسیع، مالیاتی استحکام کی پالیسیوں اور نسبتاً مستحکم مالیاتی ماحول سے معاوضہ حاصل ہوگی۔ توانائی کی دستیابی، مقامی طلب میں بہتری اور برآمدات پر پمپی پیداوار کے تسلسل کے باعث مینوفیکچرنگ کی سرگرمیوں میں بھی مثبت ردھان برقرار رہنے کی توقع ہے۔

ان مثبت پیش رفتوں کے باوجود، کاروباری ماحول بدستور رکھی اور بیرونی غیر یقینی صورتحال سے متاثر ہونے کا امکان رکھتا ہے۔ افراد کار کے دباؤ، بالخصوص عالمی توانائی اور دھماکے کی قیمتوں میں اتار چڑھاؤ سے پیدا ہونے والے اثرات، نیز مشرق وسطیٰ میں جغرافیائی سیاسی پیش رفت، معاشی سرگرمیوں کی رفتار اور دفاتر تک کے حالات کو متاثر کر سکتی ہے۔ موسمیاتی تبدیلی سے متعلق خطرات اور مالیاتی شعبے میں بڑھتی ہوئی مسابقت بھی کاروباری ماحول کے لیے اہم عوامل ہیں۔

اس پس منظر میں، OLP رسک کے حوالے سے متبادلاتی عملی اختیار کرتے ہوئے کاروباری نمو کا سلسلہ جاری رکھے گا، جبکہ بہتر ہوتی ہوئی معاشی سرگرمیوں اور صارفین کی بدلتی ہوئی ضروریات سے پیدا ہونے والے مواقع سے بھی فائدہ اٹھائے گا۔ کمپنی چھوٹے اور درمیانے درجے کے کاروباری اداروں (SMEs) کی مالی ضروریات پوری کرنے، مالیاتی عمل تک رسائی کو وسیع کرنے، کم سہولیات رکھنے والے شعبوں کے ساتھ اپنے رہنما کو مزید مضبوط بنانے اور اختراعی مالیاتی مصنوعات و خدمات سے استفادہ کرتے ہوئے پبلک میں اضافے اور اپنے اسٹیک ہولڈرز کے لیے پاسیو ادھیل مدتی قدر پیدا کرنے پر توجہ مرکوز کرے گی۔

اعتراف:

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

بورڈ کی جانب سے



رہمن الرحمٰن
ڈائریکٹر



شاہین امین
چیف ایگزیکٹو آفیسر

17 ستمبر 2026

بورڈ آف ڈائریکٹرز کے اجلاس
بورڈ کے اجلاس میں حاضری درج ذیل رہی:

ڈائریکٹر کا نام	مینگل میں حاضری	ڈائریکٹر کا نام	مینگل میں حاضری
جناب خالد عزیز مرزا	6	محترمہ کیکوہ اتاب (نان ریڈیٹ) (1)	2
جناب راشد احمد جعفر	6	محترمہ یو کو میو (نان ریڈیٹ) (2)	3
جناب انور منصور خان	6	جناب کا زوچہ انوے (3)	4
جناب پوشیا کاتو سکا (نان ریڈیٹ)	4	محترمہ کو تو کوسا تو (نان ریڈیٹ) (4)	2
جناب رحیم القرے	6	جناب شامین امین	6

- (۱) 25 ستمبر 2025 کو ڈائریکٹر کے عہدے سے مستعفی ہوئے۔
(۲) ۱7 اکتوبر 2025 کو ڈائریکٹر مقرر ہوئے۔
(۳) 5 مارچ 2026 کو ڈائریکٹر کے عہدے سے مستعفی ہوئے۔
(۴) 16 مارچ 2026 کو ڈائریکٹر مقرر ہوئے۔

آڈٹ اینڈ رسک کمیٹی کے اجلاس:

ڈائریکٹر کا نام	مینگل میں حاضری	ڈائریکٹر کا نام	مینگل میں حاضری
جناب راشد احمد جعفر	6	جناب کا زوچہ انوے (نان ریڈیٹ) (3)	3
محترمہ کیکوہ اتاب (نان ریڈیٹ) (1)	1	محترمہ کو تو کوسا تو (نان ریڈیٹ) (4)	3
محترمہ یو کو میو (نان ریڈیٹ) (2)	4	جناب رحیم القرے	6

- (۱) 25 ستمبر 2025 کو ڈائریکٹر کے عہدے سے مستعفی ہوئے۔
(۲) ۱7 اکتوبر 2025 کو ڈائریکٹر مقرر ہوئے۔
(۳) 5 مارچ 2026 کو ڈائریکٹر کے عہدے سے مستعفی ہوئے۔
(۴) 16 مارچ 2026 کو ڈائریکٹر مقرر ہوئے۔

پیو من ریسورس ماحولگی اور معاوضہ کمیٹی کے اجلاس:

ڈائریکٹر کا نام	مینگل میں حاضری	ڈائریکٹر کا نام	مینگل میں حاضری
جناب انور منصور خان	1	جناب یوہیکا آسوکا (نان ریڈیٹ)	1
جناب خالد عزیز مرزا	1	جناب شامین امین	1

کریڈٹ کمیٹی کے اجلاس:

ڈائریکٹر کا نام	مینگل میں حاضری	ڈائریکٹر کا نام	مینگل میں حاضری
جناب یوہیکا آسوکا (نان ریڈیٹ)	1	جناب شامین امین	1
جناب رحیم القرے	1		

بورڈ میں تبدیلیاں:

سال کے دوران بورڈ میں درج ذیل تبدیلیاں کی گئیں:

- ۱۔ محترمہ یو کو میو کو ۱7 اکتوبر 2025 کو کس کیکوہ اتاب نے کی جگہ نان ایگزیکٹو ڈائریکٹر مقرر کیا گیا اور انہیں کمیٹی کی ماحولہ قانون ڈائریکٹر مقرر کیا گیا۔ ان کی تقرری کی SECP سے منظوری 26 جنوری 2026 کو موصول ہوئی۔
- ۲۔ جناب کو تو کوسا تو کو 16 مارچ 2026 کو مسز کا زوچہ انوے کی جگہ نان ایگزیکٹو ڈائریکٹر مقرر کیا گیا۔ ان کی تقرری کی SECP سے منظوری 10 جون 2026 کو موصول ہوئی۔
- ۳۔ محترمہ کیکوہ اتاب نے 25 ستمبر 2025 سے ڈائریکٹر کے عہدے سے استعفیٰ دے دیا۔
- ۴۔ جناب کا زوچہ انوے نے 5 مارچ 2026 سے ڈائریکٹر کے عہدے سے استعفیٰ دے دیا۔

بورڈ آف ڈائریکٹرز میں کیکوہ اتاب نے اور مسز کا زوچہ انوے کی جانب سے انجام دی جانے والی خدمات کو قدر کی نگاہ سے دیکھا ہے۔ مزید برآں، بورڈ آف ڈائریکٹرز نے مس یو کو میو اور مس کو تو کوسا تو کو OLP کے بورڈ میں ڈائریکٹرز کی حیثیت سے خوش آمدید کہتا ہے۔

- ۱۔ کمپنی کی انتظامیہ کے تیار کردہ مالی گوشوارے کمپنی کے معاملات، اس کے کاروباری نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کی شفافیت کے ساتھ پیش کرتے ہیں۔
- ۲۔ کمپنی کی حسابات کی کتابیں مناسب انداز میں رکھی گئی ہیں۔
- ۳۔ درست حساباتی پالیسیوں کو تسلسل کے ساتھ مالیاتی گوشواروں کی تیاری کے دوران ملحوظ خاطر رکھا گیا ہے اور حساباتی تخمینوں کی بنیاد معقول اور آئندہ فیصلوں پر ہے۔
- ۴۔ مالیاتی گوشوارے کی تیاری کے دوران عالمی مالیاتی رپورٹنگ معیارات، جو پاکستان میں لاگو ہیں کو ملحوظ خاطر رکھا گیا ہے اور کسی بھی انحراف کو مناسب انداز میں انکشافات اور وضاحت کی گئی ہے۔
- ۵۔ اندرونی نگرانی کے نظام کی مکمل مضبوط ہے اور مؤثر انداز میں نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔
- ۶۔ کمپنی کی چلتے ہوئے ادارے کی صلاحیت میں کوئی شک و شبہ نہیں ہے۔
- ۷۔ اگلے سال 30 جون 2026 کے دوران کمپنی کے نتائج کے قابل ذکر انحراف کی تفصیل ڈائریکٹرز رپورٹ میں ہے۔
- ۸۔ گزشتہ چھ سالوں کے اہم کاروباری اور مالیاتی اعداد و شمار اس سالانہ رپورٹ کے صفحہ نمبر 61 پر دیا گیا ہے۔
- ۹۔ ٹیکسوں، دیویوں، محصولات اور اخراجات کی مد میں کوئی آئینی اور انجینی 30 جون 2026 کو واجب الادا نہیں تھی سوائے جن کا مالیاتی گوشواروں میں انکشاف کیا گیا ہے۔
- ۱۰۔ تسلیم شدہ پروڈمٹ فنڈ سے کی گئی سرمایہ کاری کی مالیت 30 جون 2026 کو 965 ملین روپے رسی (غیر آؤٹ شدہ) اور 30 جون 2025 کو 942 ملین روپے تھی (آؤٹ شدہ)۔
- ۱۱۔ تسلیم شدہ گریجویٹ فنڈ سے کی گئی سرمایہ کاری کی مالیت 30 جون 2026 کو 393.45 ملین روپے رسی (غیر آؤٹ شدہ) اور 30 جون 2025 کو 377.53 ملین روپے (آؤٹ شدہ) تھی۔
- ۱۲۔ کمپنی کے آئندہ (8) ڈائریکٹرز میں سے چھ (05) کو ڈائریکٹر بشمول چیف ایگزیکٹو آفیسر بطور ڈیوڈ ڈائریکٹر ڈائریکٹنگ پروگرام کے تحت سرٹیفیکیشن چھوٹ حاصل ہے اور بقیہ ایک (۱) ڈائریکٹر، جن کا حال ہی میں تقرر کیا گیا ہے، وہ ڈائریکٹر ڈائریکٹنگ پروگرام مقررہ وقت کے اندر مکمل کریں گے جیسا کہ لحد کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تحت فراہم کیا گیا ہے۔
- ایک آزاد ڈائریکٹر، جناب انور منصور خان، کے حوالے سے کمپنی نے لحد کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز، 2019 کے تحت "مکمل کریں یا وضاحت دیں" کے طریقہ کار کو اختیار کیا ہے۔ جناب خان پر ہم گورنر آف پاکستان کے ممتاز سینئر قانون دان ہیں اور ان کی بڑی بڑی کارپوریٹ وکیلٹ بنزل اور سندھ ہائی کورٹ کے جج کے طور پر خدمات انجام دے چکے ہیں۔ چار دہائیوں سے زائد عرصہ پر صیڈ ان کے وسیع قانونی کارپوریٹ اور گورننس سے متعلق تجربے کو مد نظر رکھتے ہوئے، کمپنی سمجھتی ہے کہ ان کا علم اور تجربہ ڈائریکٹر ڈائریکٹنگ پروگرام کے مقاصد کو مؤثر طور پر پورا کرنے کے لیے کافی ہے۔
- ۱۳۔ سال کے دوران بورڈ آف ڈائریکٹرز کے سات اجلاس، بورڈ آؤٹ اینڈ رسک کمپنی کے سات اجلاس، بورڈ ہیومن ریسورس ٹومینٹیشن اینڈ ریسورس ٹیشن کمپنی کے دو اجلاس اور بورڈ گریڈٹ کمپنی کا ایک اجلاس منعقد ہوا۔

بورڈ کی تشکیل:

بورڈ 8 ڈائریکٹرز پر مشتمل ہے، جن میں سے چھ (6) مرد اور دو (2) خواتین ڈائریکٹرز شامل ہیں۔ خواتین ڈائریکٹرز میں سے ایک (1) کو لحد کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز، 2019 کے ریگولیشن 7 کے تحت طے کے مطابق نامزد خاتون ڈائریکٹر مقرر کیا گیا ہے۔ بورڈ کی تشکیل ورژن ذیل ہے:

آزاد ڈائریکٹرز	جناب راشد احمد جعفر جناب انور منصور خان
جان ایگزیکٹو ڈائریکٹرز	جناب خالد عزیز مرزا جناب پوشیا کی ماتو سوا جناب ریمین الفرسے
خاتون ڈائریکٹرز	محترمہ یوکیو میورا محترمہ کوکو کوساٹو
ایگزیکٹو ڈائریکٹرز*	جناب شاہین امین

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

ٹرانسنگ فراہم کرنے کے کاروبار کے علاوہ، OLP کے پاس ایک قابل قدر شہادت آف ذہانت کا پورٹ فولیو ہے جس کی وجہ سے ایک مضبوط کمپلائنس فریم ورک کی ضرورت اور بھی اہم ہو جاتی ہے۔ OLP نے تمام ریگولیٹری تقاضوں کی مکمل پاسداری کو یقینی بنانے کے لیے متحدہ اقدامات کیے ہیں جن میں UN/NACTA کی پابندیوں کی اسکریننگ اور سسٹمز ایڈجسٹمنٹس پر ویس (KYC)/(CCD) اپنے صارفین کی ضروریات کو جاننا شامل ہیں۔ کمپلائنس ڈیپارٹمنٹ باقاعدگی سے کاروباری افعال کا AML/CFT کمپلائنس آڈٹ کرتا ہے تاکہ یہ یقینی بنایا جاسکے کہ کمپنی پر لاگو تمام ریگولیٹری تقاضوں کی تعمیل کی گئی ہے۔

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

بورڈ آف ڈائریکٹرز اور بورڈ کمیٹیاں:

بورڈ آف ڈائریکٹرز اور اس کی ذیلی کمیٹیوں کی تشکیل صلی نمبر 51 پر انٹرنیٹ آف کمپلائنس میں دی گئی ہے۔

بورڈ کی کارکردگی کا جائزہ:

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

دوران سال 30 جون 2025 کو اختتام پذیر سال کے لیے کارکردگی کے جائزے کا عمل کمپنی کے اندر ہی مکمل کیا گیا۔ اس جائزہ عمل کے تحت سوالنامے بورڈ کے اراکین کو فراہم کیے گئے، جنہوں نے اپنی آراء، برآمدات کمپنی سیکرٹری کو جمع کرائیں، تاکہ عمل کی رازداری برقرار رہے۔ کمپنی سیکرٹری نے ان جوابات کی تدوین کی گھرائی کی اور اس کے بعد یہ رپورٹ بورڈ کی میٹنگ میں پیش کی گئی۔ نو مئی میں اور ریویژن کمپنی کے سامنے نظر ثانی کے لیے پیش کی گئی۔ حتیٰ رپورٹ بعد ازاں بورڈ میٹنگ میں شیئر کی گئی، جہاں بہتری کے لیے اہم نکات کو اجاگر کیا گیا۔

بورڈ کے معاوضہ پالیسی:

کمپنی کے پاس بورڈ سے منسلک شدہ بورڈ آف ڈائریکٹرز کے معاوضے کی پالیسی موجود ہے۔ یہ کمپنی کے ڈائریکٹرز کے بورڈ اور اس کی کمیٹیوں کے اجلاس میں حاضر ہونے کے معاوضے کے تعین کا طریقہ کار فراہم کرتی ہے۔ پالیسی کے مطابق صرف آزادانہ ایگزیکٹو ڈائریکٹرز اور اس کی کمیٹیوں کے اجلاس میں حاضری پر معاوضے کے اہل ہیں۔ جبکہ نان ایگزیکٹو ڈائریکٹرز اجلاس میں شرکت پر ہونے والے اخراجات کی ادائیگی کے حقدار ہیں۔

بورڈ آف ڈائریکٹرز اور چیف ایگزیکٹو آفیسر کے معاوضے کے حوالے سے انکشاف غیر مجموعی مالیاتی گوشوارے کے نوٹ نمبر 38 میں دیا گیا ہے۔

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

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

- ۱۔ چیف ایگزیکٹو آفیسر
- ۲۔ چیف ایگزیکٹو آفیسر
- ۳۔ گروپ جنرل مینیجر
- ۴۔ چیف فنانشل آفیسر
- ۵۔ کمپنی سیکرٹری
- ۶۔ ہیڈ آف انٹرنل آڈٹ
- ۷۔ ڈیپارٹمنٹل ہیڈز

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

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

تنوع، شمولیت اور مساوات:

اوایل پنی کی اسٹرٹجک وژن میں تنوع اور شمولیت ایک بنیادی حیثیت رکھتے ہیں۔ دوران سال کمپنی نے ایک جامع DEI پالیسی متعارف کرائی، جو اندہ سٹریٹجی، مارکس اور عالمی بہترین طریقہ کار پر مبنی ہے۔ یہ فریم ورک قابل پیکائش نتائج فراہم کرتا ہے اور ایک منصفانہ ورک ٹیمس کلچر کو فروغ دیتا ہے۔

30 جون 2026 کو اختتام پذیر سال کے لیے کمپنی نے Mean میڈن پرپے گیپ 31.2% اور Median میڈن پرپے گیپ 22.5% رپورٹ کیا، جو بنیادی طور پر خواتین کی زیادہ تر تعداد کے لیے پیشکش رہا۔ مزید برآں، کمپنی اس فرق کو کم کرنے کی ضرورت کو تسلیم کرتی ہے اور ترقی اور قیادت کے لیے مساوی مواقع فراہم کر کے اس سمت میں پرعزم ہے۔

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

کارپوریٹ گورننس، اندرونی کنٹرول اور تعمیل:

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

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

- 1۔ بورڈ چیئرمین ریسورس نامی نیشن اینڈ ریسورس نیشن کمیٹی (BHRN&RC)
- 2۔ بورڈ آڈٹ و بورڈ رسک کمیٹی (BA&RC)
- 3۔ بورڈ کریڈٹ کمیٹی (BCC)
- 4۔ بورڈ کمپنیشن کمیٹی

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

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

انٹرنل آڈٹ کا شعبہ نہ صرف پالیسیوں، طریقہ کار اور ریگولیٹری تقاضوں کی تعمیل پر آزادانہ نظریہ فراہم کرتا ہے، بلکہ یہ اندہ سٹریٹجی کے بہترین اصولوں کے مطابق پالیسیوں کو بہتر بنانے کا مشورہ بھی دیتا ہے۔ کمپنی تمام ریگولیٹری تقاضوں کی تعمیل پر بھی زیادہ زور دیتی ہے اور اس بات کو یقینی بناتی ہے کہ تعمیل کا کلچر تنظیم کی تمام سطحوں پر محیط ہو۔ OLP ملک میں رائج ریگولیٹری فریم ورک کے ساتھ پوری طرح تعمیل کرتا ہے اور اس کا مقصد صنعت کے بہترین طریقوں کی تعمیل کرنا ہے۔ کمپنی کا کمپلائنس فنکشن کمپنی پر لاگو موجودہ اور نئے ضوابط کی تعمیل کو یقینی بنانے کے لیے ذمہ دار ہے۔ ملک کے ریگولیٹری فریم ورک کے بڑھنے کے ساتھ ایس ای سی پی نے بھی اپنی گہرائی کی سطح خاص طور پر اپنی منی لانڈرنگ اور بہت گہری مالی معاونت کے حوالے سے اضافہ کیا ہے۔

اوایل بی خاص طور پر ان شعبوں پر توجہ مرکوز رکھتا ہے جو زیادہ خطرے سے دوچار ہوتے ہیں، جیسے کہ کسٹم کی خرابی، اندرونی کنٹرول کی خلاف ورزیاں، اور جو کہ وہی یا جعل سازی کے واقعات، ان خطرات کو کم کرنے کے لیے کمپنی مسلسل اپنی آئی ٹی سکیورٹی کو بہتر بناتی رہی ہے، انفرادی ذمہ داریوں کو واضح طور پر متعین کرتی ہے اور آئوٹشٹن کے ساتھ ساتھ انفرادی قوت کی ترقی کے ذریعے آپریشنل کارکردگی اور موثریت میں اضافہ کرتی ہے۔ مزید برآں، کمپنی کے سنے اور موجودہ ملازمین کو باقاعدگی سے ضابطہ اخلاق، انٹی مینی لائنرنگ، انٹی فرائڈ اور دوسل بلو بک پلیسیز سے متعلق اور ٹرینیشن اور تربیت فراہم کی جاتی ہے، تاکہ اخلاقی معیار کو مضبوط بنایا جاسکے اور بدعنوانی یا بے سابلگیوں سے بچاؤ ممکن ہو سکے۔

پائیداری کے عملی اقدامات:

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

کمپنی نے پائیداری سے متعلق خطرات اور مواقع کی نشاندہی اور ان کے انتظام کے لیے ایک عملی اور متناسب طریقہ کار وضع کرنے پر اپنی توجہ برقرار رکھی۔ OLP نے پائیداری کے شعبے میں ہونے والی پیش رفت، بشمول پاکستان گرین ٹیکسٹائل، کا جائزہ بھی جاری رکھا، تاکہ اپنے کاروباری مائل سے مطابقت رکھنے والے پائیدار اور گرین مٹائنگ کے مواقع کو بتدریج تلاش کیا جاسکے، بشرطیکہ وہ تجارتی اعتبار سے قابل عمل ہوں اور کمپنی کے رسک لیویڈنٹ سے ہم آہنگ ہوں۔ یہ سٹ کمپنی کے گریڈیشنل ESG فریم ورک میں شامل اصولوں سے ہم آہنگ ہے۔

یورڈی آؤٹ اینڈ رسک کمیٹی (BA&RC) اپنے فزرف آف ریفرنس کے تحت پائیداری سے متعلق امور کی نگرانی کرتی ہے۔ کمپنی قابل اطلاق ریگولیٹری تقاضوں اور پائیداری سے متعلق ابھرتے ہوئے طریق کار کے مطابق اپنے ESG طریقہ کار اور انکشافات کو بتدریج مزید مضبوط بنانے کے لیے عزم ہے۔

اپنے ماحولیاتی اقدامات کے تحت، کمپنی اپنے ہیڈ آفس کی توانائی کی ضروریات کا ایک خاطر خواہ حصہ قابل تجدید توانائی کے ذرائع سے پورا کرنا جاری رکھے ہوئے ہے۔ OLP اپنی آپریشنز اور فائنلک کی سرگرمیوں میں ماحول دوست اور ذمہ دارانہ طریقہ کار کے فروغ کے لیے مزید مواقع تلاش کرتا رہے گا۔

کارپوریٹ سماجی ذمہ داری:

اپنے پائیداری سے متعلق اقدامات کے ساتھ ساتھ، OLP کی کارپوریٹ سماجی ذمہ داری (CSR) کی سرگرمیاں ان کمیونٹی کی معاونت کے عزم کی عکاسی کرتی ہیں جنہیں کمپنی اپنی خدمات فراہم کرتی ہے۔ کمپنی نے صحت، تعلیم اور سماجی بہبود کے شعبوں میں کام کرنے والے اداروں کو مالی معاونت فراہم کرنے کا سلسلہ جاری رکھا، بالخصوص معاشرے کے ان طبقات کے لیے جو بنیادی سہولیات اور مواقع سے محروم ہیں۔

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

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

مزید برآں OLP نے سماجی بہبود اور انسانی امداد کے لیے کام کرنے والی تنظیموں کو بھی معاونت فراہم کی۔ سال کے دوران، کمپنی نے غیر ہکتو خوار کے متاثرہ علاقوں میں امداد مت و فیسٹر سوسائٹی کی جانب سے کی جانے والی سیلاب سے متاثرہ افراد کی امدادی سرگرمیوں میں تعاون کیا، جس کے ذریعے سیلاب سے متاثرہ کمیونٹیز کو امداد فراہم کی گئی۔

ٹیلنٹ، ثقافت اور مقصد کی پرورش:

اوایل بی کی سب سے بڑی طاقت اس کے لوگ ہیں۔ کمپنی اپنی ہیومن کمیونٹیل ڈیولپمنٹ اسٹراٹجی کے بنیادی ستونوں کے طور پر قیادت کی تربیت اور ملازمین کی ترقی کے لیے عزم ہے۔ اس مقصد کے لیے ایک منظم سسٹم چلائے جانے لگا ہے جو مستقبل کے رہنماؤں کی نشاندہی اور ان کی تربیت کرتا ہے۔ اس کے ساتھ ہی پلیسی آگاہی، سافٹ اسکلز اور ہارڈ اسکلز پر مشتمل سیکھنے کے پروگرام ملازمین کو بدلتے ہوئے کاروباری چیلنجز سے نمٹنے کے قابل بناتے ہیں۔

OLP آپریٹنگ اور ریگولیٹری ماحول میں ہونے والی تبدیلیوں کے پیش نظر مسلسل نگرانی، وقتاً فوقتاً خطرات کے جائزے اور کنٹرولز کے از سر نو جائزے کے ذریعے اپنے رسک مینجمنٹ کے طریق کار کو جدید و مطلوب بناتا رہا ہے۔ درج ذیل حصوں میں کمپنی کی جانب سے اہم خطرات کے شعبوں سے منسلک کے لیے اختیار کیے گئے رسک مینجمنٹ اقدامات کی تفصیل پیش کی گئی ہے۔

کریڈٹ رسک:

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

کریڈٹ رسک مینجمنٹ ڈیپارٹمنٹ (CRMD) منظور شدہ کریڈٹ رسک فریم ورک کی پابندی کی نگرانی اور مینجمنٹ کریڈٹ کمپنی اور بورڈ کریڈٹ کمپنی کو ریٹنگ کا ذمہ دار ہے۔ کمپنی پورٹ فولیو کی نگرانی، ابھرتے ہوئے خطرات کی بروقت نشاندہی اور کریڈٹ رسک مینجمنٹ کے ذرائع اور طریقہ کار میں مسلسل بہتری پر خصوصی توجہ دیتی ہے، تاکہ پائیدار کاروباری نمو کو معاونت فراہم کی جا سکے۔

OLP نئے کاروبار کے حصول کے وقت اور بعد ازاں ریٹنگ کی تاریخوں پر کارپوریٹ صارفین کی کریڈٹ کی اہلیت کا جائزہ لینے کے لیے مختلف تجزیاتی ذرائع اور کریڈٹ اسسٹمنٹ تکنیک استعمال کرتا ہے، جس میں کریڈٹ کے معیار میں ممکنہ ترقی کی ابتدائی علامات کی بروقت نشاندہی پر خصوصی توجہ دی جاتی ہے۔ CRMD زیادہ خطرے والے شعبوں اور ایکسپوزرز کی قریبی نگرانی کرتا ہے، ابھرتے ہوئے خدشات کو اعلیٰ انتظامیہ تک پہنچاتا ہے اور پورٹ فولیو سے متعلق خطرات کے موثر انتظام کے لیے مارکیٹنگ ڈیپارٹمنٹ کے ساتھ قریبی رابطے میں مناسب اقدامات پر عمل درآمد کرتا ہے۔

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

لیکویڈیٹی رسک اور مارکیٹ رسک:

بورڈ سے منظور شدہ اثاثہ و واجبات کے انتظام کی پالیسی کمپنی کے لیے لیکویڈیٹی اور مارکیٹ رسک سے متعلق رسک ادبیات کا تعین کرتی ہے، جبکہ ایسٹ اینڈ لائبلٹی مینجمنٹ کمپنی (ALCO) کو ان خطرات کی نگرانی کا کام سونپا گیا ہے۔ ALCO ہر ماہ مارکیٹ کے حالات، منافع بخش کارکردگی، لیکویڈیٹی، فنڈنگ کی ضروریات، ALM ریشز اور متوقع لیکویڈیٹی کی ضروریات کا جائزہ لیتی ہے۔ لیکویڈیٹی رسک کا انتظام فنڈنگ کے متنوع ذرائع مختلف کردہ کریڈٹ لائنز اور قرض دینے اور قرض گیری کے پروفائلز میں محتاط ملاحظہ کے ذریعے کیا جاتا ہے۔

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

شرح سود کے رسک کو محدود رکھنے کے لئے کمپنی کے پیشتریز، لون پورٹ فولیو کو مالی ذمہ داریوں کے ساتھ منظور شدہ حدود کے اندر، اہم آہنگ رکھا جاتا ہے۔ OLP کے پاس شرح سود کے تاہلے کے ذریعے اپنے اثاثہ اور یا ذمہ داری کی ساخت کو ایڈجسٹ کرنے کا اختیار ہے۔ مزید برآں، کمپنی شرحوں میں تبدیلی سے اتار چڑھاؤ کو مد نظر رکھنے کے لیے شیڈ مارک ریٹ پر کافی منافع کا مارجن وصول کرتی ہے۔

آپریٹنگ رسک:

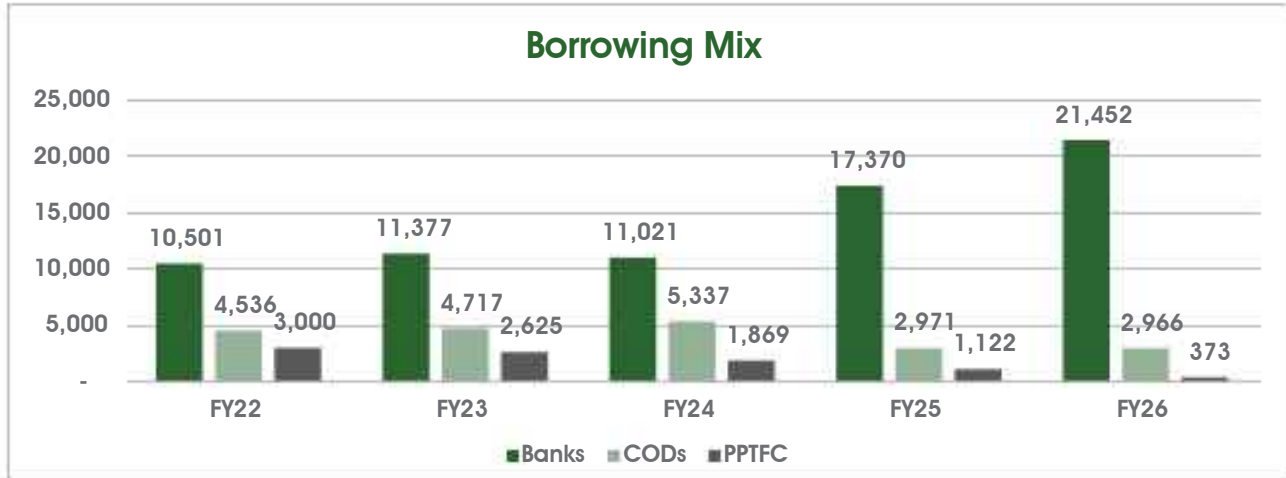
کمپنی نے آپریٹنگ خطرات کو مستقل طور پر منظم کرنے کے لیے پالیسیاں اور طریقہ کار قائم کیے ہیں۔ ہر لئے آپریٹنگ ماحول میں ان کی مطابقت کو یقینی بنانے کے لیے ان پالیسیوں اور طریقہ کار کا وقتاً فوقتاً جائزہ لیا جاتا ہے۔ ایک کنٹرول فریم ورک، فعال نگرانی، اور ممکنہ خطرات سے نمٹنے کے ذریعے آپریٹنگ خطرات کو کم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

فنانسنگ اور لیویٹیٹی

کمپنی کے قرضہ جات مختلف ذرائع پر مشتمل ہیں جن میں بینک قرضے، سرکاری قرضے (COD)، اور پرائیویٹ پبلک ٹرانسمیشن سسٹم (PPTFC) شامل ہیں۔ کمپنی نے گیارہ مالیاتی اداروں کے ساتھ مضبوط تعلقات قائم کر رکھے ہیں، جن سے مستقبل میں مارکیٹ ریس پر طویل المدتی قرضے اور اورڈر ادا کی سہولت کی شکل میں محفوظ قرضہ جات کی سہولیات حاصل ہیں۔ اس کے علاوہ، اوایل ہی COD جاری کرتی ہے، جو انفرادی اور ادارہ جاتی سرمایہ کاروں سے حاصل کیے جانے والے غیر محفوظ قرضہ جات ہیں۔

OLP کے قرض لینے کی تقسیم درج ذیل ہے:

Rs. in Millions



30 جون 2026 تک کمپنی کا قرض اور ایکیویٹی کا تناسب 2.16 رہا، جبکہ 30 جون 2025 کو یہ 2.01 تھا۔ یہ اضافہ پورٹ فولیو میں نمو کے لیے ہیلتھ شیٹ میں زیادہ لیوریج کے استعمال کی عکاسی کرتا ہے۔ کمپنی کی ایکیویٹی ریلیٹیو بھی 26.01 فیصد کی مضبوط سطح پر برقرار رہا، جبکہ 30 جون 2025 کو یہ 27.40 فیصد تھا۔ یہ شرح 10 فیصد کی ریگولیٹری ضرورت سے نمایاں طور پر زیادہ ہے، جو کمپنی کو کاروباری نمو اور ممکنہ خطرات کے اثرات برداشت کرنے کے لیے مضبوط کمپنیل بفر فراہم کرتی ہے۔

رиск مینجمنٹ

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

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

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

بورڈ کی آڈٹ اور رиск کمیٹی (BA&RC)، جس میں چارڈائریکٹر شامل ہیں اور جس کی صدارت ایک آزاد ڈائریکٹر کرتے ہیں، نگرانی اور رиск مینجمنٹ پالیسیوں کے نفاذ کو بڑھاتا ہے۔ مینجمنٹ کمیٹی بورڈ کی منظور شدہ رہنما اصولوں کی نگرانی اور عمل درآمد کرتی ہے، جبکہ دوسرے رиск مینجمنٹ کے کام مختلف سطحوں پر تنوع پائے جاتے ہیں۔

OLP نے اپنے تمام شعبہ جات میں انتہا پرانہ رиск مینجمنٹ (ERM) فریم ورک نافذ کر رکھا ہے، جو اہم خطرات کی نشاندہی، جائزہ نگرانی اور پورنگ کے لیے ایک منظم اور یکساں طریق کار فراہم کرتا ہے۔ یہ فریم ورک اہم خطرات اور ان سے متعلق خطرات میں کمی کے اقدامات کی انتظامیہ اور BA&RC کو باقاعدہ ہفتیوں پر پورنگ میں معاونت فراہم کرتا ہے، جس کے ذریعے کمپنی کے مجموعی رиск پروفائل اور ابھرتے ہوئے خطرات کے شعبوں کی موثر نگرانی ممکن ہوتی ہے۔

لیز اور قرض کے پورٹ فولیو سے حاصل ہونے والی آمدنی مالی سال 2025 کے 5,892.41 ملین روپے کے مقابلے میں 4.32 فیصد کم ہو کر 5,637.92 ملین روپے ہو گئی۔ KIBOR میں مسلسل کمی کے نتیجے میں شرح منافع میں کمی آئی، تاہم لیز اور قرض کے پورٹ فولیو میں 13.52 فیصد اضافے نے آمدنی میں کمی کے اثرات کو کسی حد تک متوازن کیا۔ دیگر آمدنی گزشتہ سال کے 917.02 ملین روپے کے مقابلے میں 7.63 فیصد کم ہو کر 847.05 ملین روپے رہی۔ اس کی بنیادی وجہ مالیاتی اثاثوں سے حاصل ہونے والی آمدنی میں کمی تھی، جو گزشتہ سال کے 478.62 ملین روپے سے کم ہو کر 254.19 ملین روپے ہو گئی۔ اس کی بڑی وجہ کم شیڈ مارک شرح سود کے ماحول اور سرکاری سیکورٹیز کے اوسط حجم میں کمی کے باعث سرکاری سیکورٹیز سے حاصل ہونے والی سودی آمدنی 428.96 ملین روپے سے کم ہو کر 215.23 ملین روپے رہنا تھا۔ تاہم، اس اثر کو غیر مالیاتی اثاثوں سے حاصل ہونے والی آمدنی میں اضافے نے جزوی طور پر کم کیا، جو 438.40 ملین روپے سے بڑھ کر 592.86 ملین روپے ہو گئی۔ دیگر مالیاتی اثاثوں سے متعلق آمدنی میں فیس اور دیگر آمدنی بھی شامل ہے، جو 235.31 ملین روپے سے بڑھ کر 409.90 ملین روپے ہو گئی۔ اس اضافے کی بنیادی وجہ 148.22 ملین روپے کی طویل عرصے سے زیر التوا واجبات کی واپسی تھی، جبکہ دستاویزی فیس سے حاصل ہونے والی آمدنی بھی 40.18 ملین روپے سے بڑھ کر 57.74 ملین روپے ہو گئی۔

اگست کا انتظام اور عملی کارکردگی میں بہتری:

ممکنہ لیز قرضوں اور دیگر نقصانات کے لیے مختصخصصات کو خارج کرنے کے بعد، کل اخراجات مالی سال 2025 کے 4,867.57 ملین روپے کے مقابلے میں 9.06 فیصد کم ہو کر 4,426.71 ملین روپے رہ گئے۔ اس کی بنیادی وجہ سال کے دوران مالیاتی اخراجات میں کمی تھی۔

☆ اگرچہ گزشتہ سال کے 21,462 ملین روپے کے مقابلے میں کل قرض بڑھ کر 24,791 ملین روپے ہو گئی، تاہم مالیاتی اخراجات 14.66 فیصد کم ہو کر 2,695.34 ملین روپے رہ گئے، جبکہ گزشتہ سال یہ 3,158.17 ملین روپے تھے۔ اس کی بنیادی وجہ سال کے دوران شیڈ مارک شرح سود کی اوسط سطح میں کمی تھی، جس کے نتیجے میں فنانسنگ اگست میں کمی آئی۔

☆ اشتقاقی اور عمومی اخراجات مالی سال 2025 کے 1,675.22 ملین روپے کے مقابلے میں معمولی 1.10 فیصد اضافے کے ساتھ مالی سال 2026 میں 1,693.59 ملین روپے ہو گئے۔ فرسودگی، گاڑیوں کے استعمال اور دیگر بھال، دفاتر کی مرمت و دیگر بھال اور آؤ بیٹرز کے معاوضے میں اضافہ، آپریشنل انفراسٹرکچر اور کاروباری معاونت کو برقرار رکھنے کے لیے ضروری اخراجات کی عکاسی کرتا ہے۔ تاہم، عملے کے اخراجات، کرایہ اور ٹیلیفون، قانونی و پیشہ ورانہ خدمات کے اخراجات اور سسکم پشز میں کمی نے ان اضافوں کے اثرات کو بڑی حد تک متوازن کیا، جو اخراجات کے مؤثر نظم و ضبط کے تسلسل کو ظاہر کرتا ہے۔

☆ براہ راست اخراجات مالی سال 2025 کے 34.17 ملین روپے کے مقابلے میں 10.56 فیصد بڑھ کر 37.78 ملین روپے ہو گئے۔ اس اضافے کی بنیادی وجہ لیز اور قرض کے فنانسنگ پورٹ فولیو سے متعلق دیگر بھال اور انشورنس کے اخراجات میں اضافہ تھا، جو 18.47 ملین روپے سے بڑھ کر 23.56 ملین روپے ہو گئے۔ تاہم، عدالت کی فیس، اسٹامپ ڈیوٹی اور دیگر دستاویزی و متعلقہ خدمات کے اخراجات میں 1 ملین روپے کی کمی نے اس اضافے کے اثر کو جزوی طور پر کم کیا۔

لیز قرضوں اور مالی سہولیات کے لیے متوقع قرضہ جاتی نقصانات پر دو بڑوں کی ریموڈل:

غیر فعال پورٹ فولیو، جس میں 90 دن سے زائد عرصہ سے واجب الادا انکم سپورڈز شامل ہیں، مالی سال 2025 کے 655.18 ملین روپے کے مقابلے میں 30 جون 2026 کو کم ہو کر 639.09 ملین روپے رہ گیا، جو اثاثوں کے معیار کو مسلسل بہتر بنانے کی عکاسی کرتا ہے۔ کمپنی نے 14.97 ملین روپے کے پروویژن کی ریموڈل ریکارڈ کی، جبکہ مالی سال 2025 میں پروویژن کی ریموڈل 142.64 ملین روپے تھی۔

ممکنہ لیز اور قرضہ جاتی نقصانات کے لیے پروویژن کا ڈھنگ اسٹینڈرڈ IFRS9 کے تحت متوقع کرڈٹ نقصان (ECL) ماڈل کے مطابق برقرار رکھی جاتی ہیں، جنہیں منجسٹ کے ذاتی اندازوں پر مبنی اضافی پروویژن سے تقویت دی جاتی ہے، جس کی اجازت معیار میں دی گئی ہے۔ 30 جون 2026 تک ممکنہ لیز اور قرضہ جاتی نقصانات کے لیے مجموعی پروویژن 604 ملین روپے رہا، جو 90 دن سے زیادہ واجب الادا تمام اکاؤنٹس کے خلاف 100 فیصد رہا جبکہ مالی سال 2025 میں یہ شرح 142.64 فیصد تھی۔

ٹیکس:

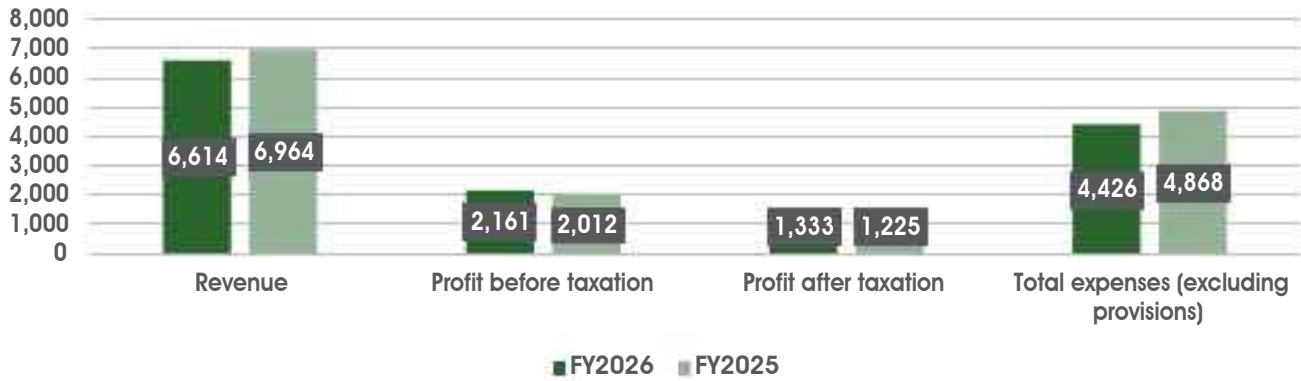
سال کے لیے ٹیکس اخراجات 827.48 ملین روپے ریکارڈ کئے گئے، جو کہ گزشتہ سال کے ٹیکس اخراجات 786.91 ملین روپے سے 5.16 فیصد کم ہے۔ اس میں گزشتہ سال کے وفاقی بجٹ میں عائد کردہ 10 فیصد کاسپر ٹیکس شامل ہے۔

مندرجہ بالا ڈیلش پورڈیکشن کے پورٹ فولیو اور اثاثوں کی بنیاد میں نمایاں اضافے، منافع میں بہتری اور منافع بخش شرحوں کے تسلسل کو ظاہر کرتا ہے، جو موجودہ شرح سود کے ماحول میں کم شرح منافع کے باوجود حاصل ہوا۔

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

2025	2026	
(روپے)		
2,012,384,635	2,161,196,493	قبل از محصول منافع
786,913,599	827,481,030	محصولات (ٹیکس)
1,225,471,036	1,333,715,463	سالانہ خالص منافع بعد از محصول (ٹیکس)
61,273,552	66,685,773	مطلوبی ریزرو میں منتقلی
350,815,294	350,815,294	عمدہ بندی ڈویڈنڈ
613,926,765	701,630,588	حتمی ڈویڈنڈ
964,742,059	1,052,445,882	
6.99	7.60	فی سینٹر آمدنی - بنیادی اور رقیب شدہ

Key Financial Indicators



OLP نے مالی سال 2026 کے دوران شرح سود میں کمی کے باعث منافع کی شرحوں پر دباؤ کے باوجود آمدنی میں مستحکم اضافہ برقرار رکھا۔ قبل از ٹیکس منافع مالی سال 2025 کے 2.01 ارب روپے کے مقابلے میں 7.39 فیصد بڑھ کر 2.16 ارب روپے ہو گیا، جبکہ بعد از ٹیکس منافع 8.83 فیصد اضافے کے ساتھ 1.22 ارب روپے سے بڑھ کر 1.33 ارب روپے رہا۔ اس کا دردی میں پورٹ فولیو کی توسیع، بنیادی کاروباری سرگرمیوں کے بہتر نتائج اور اوسط فنڈنگ لاگت میں کمی نے اہم کردار ادا کیا، جس نے پورٹ فولیو کے ایکویٹی سے فنانس کیے گئے حصے پر کم شرح منافع اور سرمایہ کاری سے حاصل ہونے والی آمدنی میں کمی کے اثرات کو بڑی حد تک ذائل کر دیا۔ یہ نتائج کمپنی کی موثر ٹیلیس شیٹ مینجمنٹ اور بدلتے ہوئے مارکیٹ حالات میں منافع بخش کارکردگی برقرار رکھنے کی صلاحیت کی عکاسی کرتے ہیں۔

ڈویڈنڈ:

ڈائرکٹرز 30 جون 2026 کو شتم ہونے والے سال کیلئے 40 فیصد کے حتمی نقد منافع کی سفارش کرتے ہوئے پرست ہیں۔ یہ سال کے دوران ادا کئے گئے 20 فیصد کے عمودہ بندی کیش ڈویڈنڈ کے علاوہ ہے جو سال کیلئے کل ڈویڈنڈ کو 60 فیصد تک لاتا ہے (2025: کل کیش ڈویڈنڈ 55 فیصد)۔

آمدنی:

کمپنی نے سال کے دوران 6,614.19 ملین روپے کی سالانہ آمدنی حاصل کی، جو گزشتہ سال حاصل ہونے والی 6,963.69 ملین روپے کی آمدنی کے مقابلے میں 5.02 فیصد کم ہے۔ اس کمی کی بنیادی وجہ شیڈ مارک شرح سود میں کمی کا اثاثوں پر حاصل ہونے والی شرح منافع پر تیزی سے اثر انداز ہونا تھا۔ تاہم، پورٹ فولیو میں اضافے اور آمدنی پیدا کرنے والے اثاثوں کی بنیاد میں توسیع نے اس اثر کو جزوی طور پر کم کیا۔

OLP نے مالی سال 2027 کا آغاز مضبوط مالی بنیادوں کے ساتھ کیا، جسے بتدریج بہتر ہوتی ہوئی معاشی صورتحال اور مجموعی اقتصادی استحکام سے تقویت ملی۔ ان مثبت پیش رفتوں کو آگے بڑھاتے ہوئے، کمپنی کی توجہ کاروبار میں منظم انداز سے توسیع، منطاطہ ریسک مینجمنٹ، اخراجات کو بہتر بنانے اور مسلسل موثر عملی کارکردگی برقرار رکھنے پر مرکوز ہے۔

کاروباری سرگرمیوں میں مثبت رجحان برقرار رہا اور مالی سہولیات کی فراہمی میں 10.28 فیصد اضافہ ہوا، جو گزشتہ سال کے 19.11 ارب روپے کے مقابلے میں بڑھ کر 21.07 ارب روپے ہو گئی۔ کمرشل گاڑیوں اور سیلون کاروں پر مشتمل گاڑیوں کی لیزنگ اور فنانسنگ، نئے کاروبار کے حصول کا بنیادی شعبہ رہی اور کل مالی سہولیات کی فراہمی میں اس کا حصہ 84.05 فیصد رہا۔ اس کے نتیجے میں 30 جون 2026 تک فنانس اور لیز پورٹ فولیو 13.52 فیصد بڑھ کر 32.92 ارب روپے ہو گیا، جبکہ گزشتہ سال یہ 29.00 ارب روپے تھا۔ ملک بھر میں کمپنی کے 30 براہ کچھ پر مشتمل نیٹ ورک نے صارفین کو وسیع پیمانے پر خدمات تک رسائی فراہم کرنے کے ساتھ ساتھ موثر اراکین کا کنٹرول برقرار رکھنے میں معاونت کی۔ 30 جون 2026 تک کسی ایک صارف کے لیے کمپنی کی سب سے بڑی ایکسپوزر، کمپنی کے مجموعی پورٹ فولیو کا صرف 0.55 فیصد تھی۔ پورٹ فولیو میں اچانکوں کی تقسیم کے لحاظ سے گاڑیوں کا حصہ 82.84 فیصد کے ساتھ سب سے زیادہ رہا، جس کے بعد پلانٹ اور مشینری کا حصہ 11.10 فیصد تھا۔

سال کے دوران پورٹ فولیو کے معیار میں مزید بہتری آئی اور واجب الادا مالی سہولیات کا تناسب گزشتہ سال کے 2.26 فیصد سے کم ہو کر 1.94 فیصد رہ گیا۔ اس بہتری میں نئے کاروبار کے حصول میں منطاطہ پالیسی، ریسک کے بہتر انتخاب، پورٹ فولیو کی فعال نگرانی اور واجب الادا رقوم کی ترقیاتی نگرانی نے اہم کردار ادا کیا۔ انتظامیہ نے طویل عرصے سے ذریعہ التوا کھاتوں کے موثر حل اور وصولی کے لیے اپنی حکمت عملی پر عمل درآمد جاری رکھا، جبکہ نئے واجب الادا اکائیمز میں بروقت اصلاحی اقدامات کو بھی یقینی بنایا۔

فنانسنگ کے ذرائع کو مزید مستحکم اور متنوع بنانے کی کوششوں کے تحت، کمپنی نے سال کے دوران ایک نئے مالیاتی ادارے کو اپنے قرضی پورٹ فولیو میں کامیابی سے شامل کیا۔ یہ پیش رفت کمپنی کے مالیاتی اداروں کے ساتھ تعلقات کو وسعت دینے اور مختلف ذرائع سے فنانسنگ تک رسائی بہتر بنانے کی جانب ایک اہم کامیابی ہے۔

30 جون 2026 کو کمپنی کی لیز ہولڈر زمین اور دفتری عمارت کی از سر نو ویلویویشن کی گئی، جس کے نتیجے میں موثر ٹیکس کو مد نظر رکھنے کے بعد 195 ملین روپے کا ری ویلویویشن منافع حاصل ہوا۔ اس از سر نو قدر بندی سے کمپنی کے ایکویٹی سرمایے کی پوزیشن مزید مستحکم ہوئی اور بنیادی اچانکوں کی تازہ ترین قدر بھی سامنے آئی۔

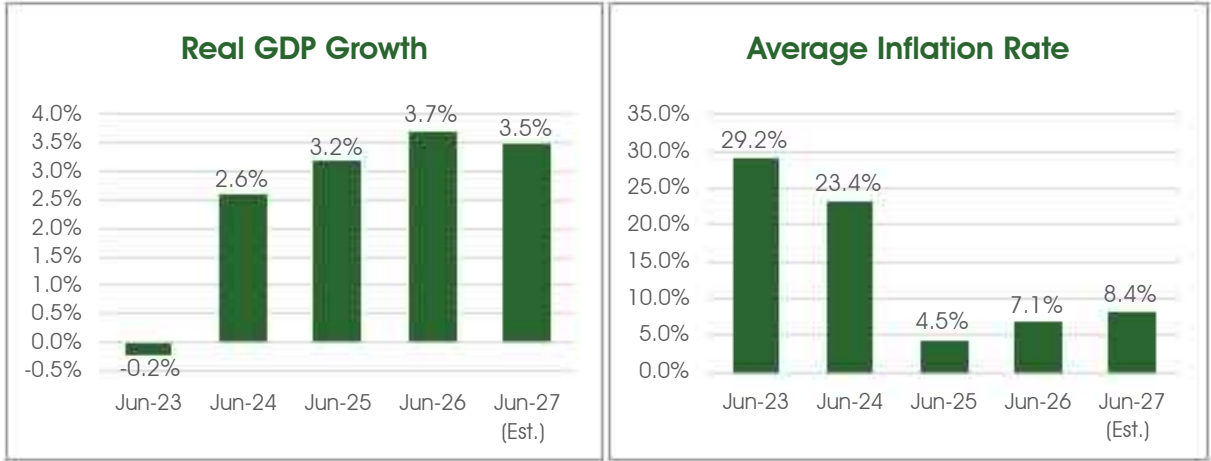
مجموعی عرب میں کام کرنے والی OLP کی ایسوی ایٹ کمپنی، ریٹل فنانس کمپنی، منافع بخش رہی۔ ایسوی ایٹ کمپنی سے OLP کے حصے کا منافع 129.22 ملین روپے رہا، جبکہ مالی سال 2025 میں یہ 154.26 ملین روپے تھا، جو گزشتہ سال کے مقابلے میں 16.23 فیصد کمی کو ظاہر کرتا ہے۔

OLP مقاربہ (OLPM) میں کمپنی اور اس کی ذیلی کمپنی کا مجموعی طور پر 20 فیصد ایکویٹی حصہ ہے، جبکہ OLPM کی اہم آپریشنل اور مالیاتی پالیسیوں سے متعلق فیصلہ سازی میں بھی کمپنی کو موثر اختیار حاصل ہے۔ OLPM نے سال کے دوران 160.71 ملین روپے کا خالص منافع رپورٹ کیا، جو گزشتہ سال کے 174.08 ملین روپے کے خالص منافع کے مقابلے میں 7.68 فیصد کم ہے۔ 30 جون 2025 کو ختم ہونے والے سال کے لیے OLPM نے 25 فیصد نقد منافع کا اعلان کیا تھا، جو موجودہ سال کے دوران OLP کو وصول ہوا۔

مالیاتی کارکردگی:

کل اثاثے	نئی ایکزیکوشن	فنانس اور لیز پورٹ فولیو	اچانکوں پر منافع
40,447.02 ملین روپے	21,071.68 ملین روپے	32,923.63 ملین روپے	3.52 فیصد
14.20 فیصد اضافہ	10.28 فیصد اضافہ	13.52 فیصد اضافہ	(30 جون 2025: 3.64 فیصد)
سالانہ آمدنی	قبل از ٹیکس منافع	بعد از ٹیکس منافع	ایکویٹی پر منافع
6,614.19 ملین روپے	2,161.19 ملین روپے	1,333.71 ملین روپے	11.93 فیصد
5.02 فیصد کمی	7.39 فیصد اضافہ	8.83 فیصد اضافہ	(30 جون 2025: 11.47 فیصد)

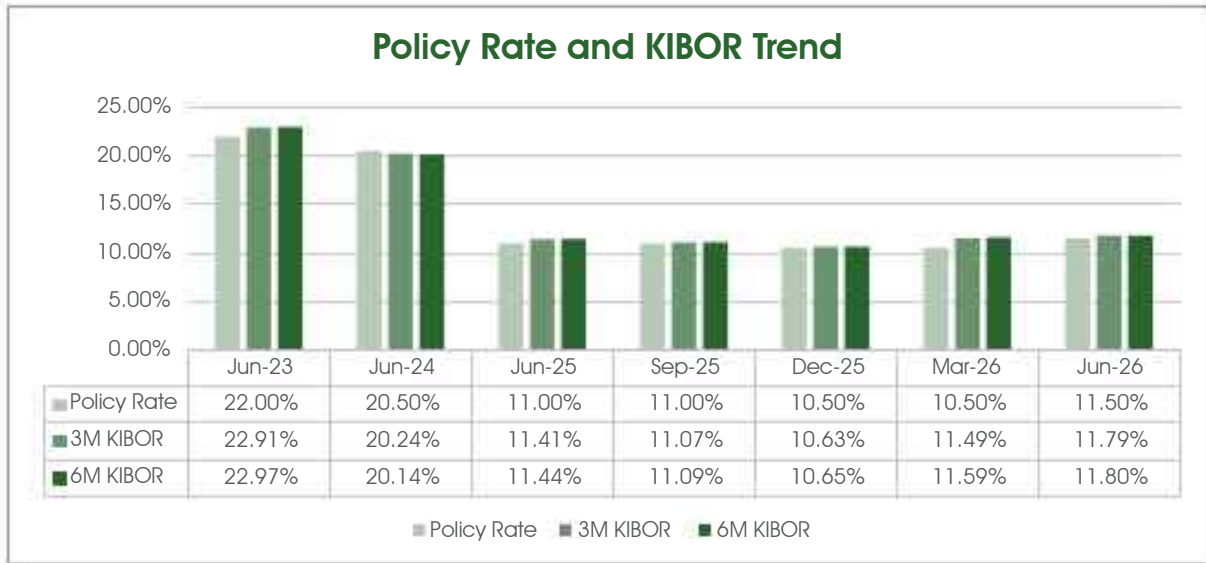
مندرجہ ذیل اہم اشاریے پاکستان کے کاروباری ماحول اور معیشت کی مالی کارکردگی پر اثر انداز ہونے والے بنیادی معاشی رجحانات کا خلاصہ پیش کرتے ہیں:



ماخذ: پاکستان انکم سروس 2025-26، آئی ایم ایف (مالی سال 2027 کی پیش گوئی)۔

ماخذ: پاکستان بیورو آف اسٹیٹسٹکس (PBS)، آئی ایم ایف (مالی سال 2027 کی پیش گوئی)۔

مالی سال 2025-26 کے دوران اسٹیٹ بینک آف پاکستان نے افراط زر اور یہ دینی شعبے کی ہدایتی ہوئی صورتحال کے پیش نظر مقامی اور حالات کے مطابق روٹیل پر مبنی ذری پالیسی اختیار کیے رکھی۔ اس دوران مشرق وسطیٰ کے تنازعے سے پیدا ہونے والی غیر یقینی صورتحال بھی ایک اہم عنصر رہی۔ دسمبر 2025 میں پالیسی ریٹ 11.0 فیصد سے کم کر کے 10.5 فیصد کیا گیا، جس کے بعد اپریل 2026 میں اسے بڑھا کر 11.5 فیصد کر دیا گیا، جنہاں یہ 30 جون 2026 تک برقرار رہا۔ سال کے دوسرے نصف میں یہ دینی دباؤ کے باوجود مقامی ذری اور مالیاتی انتظام نے مجموعی معاشی استحکام کو برقرار رکھنے میں مدد دی۔ کراچی انٹرنیٹک آف فرڈسٹ (KIBOR) میں بھی مجموعی طور پر انہی تبدیلیوں کے مطابق اتار چڑھاؤ دیکھا گیا، جبکہ شیخ مارک شریں گزشتہ برسوں میں دیکھنے میں آنے والی بلند سطحوں کے مقابلے میں نمایاں طور پر کم رہیں، جس کے نتیجے میں کھفی کی اوسط فنانسنگ لاگت میں کمی آئی۔ پالیسی ریٹ اور KIBOR میں سال کے دوران ہونے والی تبدیلیاں ذیل میں پیش کی گئی ہیں:



ماخذ: اسٹیٹ بینک آف پاکستان، ذری پالیسی کے بیانات اور KIBOR کی شریں۔

جون 2026 میں مالی سال 2027 کے لیے پاکستان کا وفاقی بجٹ پیش کیا گیا۔ مالی سال 2027 کے لیے مجموعی اخراجات کا تخمینہ 18.77 کھرب روپے لگا یا گیا ہے، جو مالی سال 2026 کے نظریاتی شدہ بجٹ میں مختص اخراجات کے مقابلے میں 20 فیصد زیادہ ہے۔ مجموعی محاصل کی وصولیوں کا تخمینہ 20.60 کھرب روپے ہے، جس میں فیڈرل بورڈ آف ریونیو (FBR) کی جانب سے حاصل ہونے والی ٹیکس آمدنی 15.26 کھرب روپے شامل ہے۔ یہ مالی سال 2026 کے نظریاتی شدہ تخمینے کے مقابلے میں تقریباً 17.6 فیصد اضافے کی عکاسی کرتا ہے۔ مالی سال 2027 کے بجٹ میں مجموعی مالیاتی خسارے کو مجموعی ملکی پیداوار (GDP) کے 3.6 فیصد تک محدود رکھنے کا ہدف مقرر کیا گیا ہے۔

ڈائریکٹرز کی رپورٹ:

یورڈ آف ڈائریکٹرز کی جانب سے اہم اوایل پی فنانشل سروسز پاکستان لمیٹڈ (OLP) کی کمپنی کی چالیسویں سالانہ رپورٹ بعد غیر مجموعی مالیاتی گوجار سے برائے اختتام سال 30 جون 2026 پیش کرنے پر مبنی ہے۔

کمپنی:

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

معیشت کا جائزہ:

عالمی سطح پر مشکل معاشی حالات کے باوجود پاکستان کی معیشت نے مالی سال 2026 کے دوران بحالی کا سلسلہ جاری رکھا۔ حقیقی مجموعی ملکی پیداوار میں ابتدائی طور پر 3.7 فیصد اضافہ ریکارڈ کیا گیا، جبکہ گزشتہ سال یہ شرح 3.2 فیصد تھی۔ اس بہتری میں معیشت کے اہم شعبوں کی مجموعی کارکردگی میں نمایاں پیش رفت کا اہم کردار رہا۔

سال کے دوران صنعتی سرگرمیوں میں بہتری آئی، جبکہ محصولات کی وصولی میں اضافے اور اخراجات کے مختار انتظام نے مالیاتی پوزیشن کو مزید مستحکم بنانے میں معاونت کی۔ الارج میٹو پیکرنگ اسکیل (LSM) نے بھی بحالی کا سفر جاری رکھا اور جو آئی ٹامی 2026 کے دوران 5.8 فیصد کی شرح نمو ریکارڈ کی، جبکہ گزشتہ سال کی اسی مدت میں 1.1 فیصد کمی ہوئی تھی۔ مالی سال 2026 کے دوران انٹرمونیکل شعبے کی کارکردگی بھی حوصلہ افزا رہی، جس میں گزشتہ سال کے مقابلے میں مسافر گاڑیوں کی فروخت میں 39 فیصد، فیس اور ٹکٹ آپس میں 41 فیصد، جبکہ ٹرکوں اور بسوں کی فروخت میں 61 فیصد اضافہ ہوا۔ یہ بہتری OLP کے لیے خصوصی اہمیت رکھتی ہے، کیونکہ گاڑیوں کی فنانسنگ کمپنی کے کاروبار میں نمایاں حصہ رکھتی ہے۔

مالی سال 2026 کے پیشتر حصے کے دوران افرات زربینہ قابو میں رہا، تاہم سال کے اختتام کی جانب اس میں اضافہ ہوا، جس کی ایک وجہ توانائی اور نقل و حمل کی بڑھتی ہوئی لاگت بھی تھی۔ جون 2026 میں قومی صارف اشاریہ قیمت (CPI) کے تحت افرات زربہ 11.1 فیصد رہا، جو مئی 2026 میں 11.7 فیصد اور جون 2025 میں 3.2 فیصد تھا۔ مالی سال 2026 کے دوران اوسط افرات زربہ 7.1 فیصد رہا، جبکہ مالی سال 2025 میں یہ 4.5 فیصد تھا۔ 30 جون 2026 کو اسٹیت بینک آف پاکستان کی پالیسی ریٹ 11.5 فیصد رہا، جبکہ گزشتہ مالی سال کے اختتام پر یہ 11.0 فیصد تھا۔

سال کے دوران پاکستان کی بیرونی مالیاتی پوزیشن مجموعی طور پر مستحکم رہی، جسے ترسیلات زر کی مضبوط آمد اور زرمبادلہ کے ذخائر میں بہتری سے تقویت ملی۔ تاہم، مشرق وسطیٰ میں بڑھتی ہوئی جغرافیائی سیاسی کشیدگی نے عالمی معاشی ماحول میں غیر یقینی صورتحال میں اضافہ کیا، بالخصوص توانائی کی قیمتوں، مال برداری کے اخراجات اور سیاتی پیچھے میں اتار چڑھاؤ کے باعث۔

پاکستان کی معاشی اور بیرونی پوزیشن میں بہتری کے پیش نظر S&P گلوبل رینٹنگ نے جولائی 2026 میں پاکستان کی طویل مدتی خود مختار کرڈٹ رینٹنگ کو "B" سے بڑھا کر "B" کر دیا۔ مستقبل کے حوالے سے حکومت نے مالی سال 2027 کے لیے حقیقی مجموعی ملکی پیداوار میں 4.0 فیصد اضافے کا ہدف مقرر کیا ہے، جبکہ آئی ایم ایف نے 3.5 فیصد شرح نمو کی پیش گوئی کی ہے، جو مختار رفتار کے ساتھ اقتصادی بحالی کے تسلسل کی نشاندہی کرتی ہے۔



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

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of OLP Financial Services Pakistan Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of OLP Financial Services Pakistan Limited ('the Company') for the year ended 30 June 2026 in accordance with the requirements of Regulation No. 36 of the Regulations.

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

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

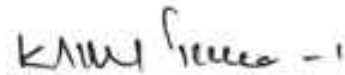
The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2026.

Date: 24 September 2026

Karachi

UDIN: CR202610106piCsvn5aX


KPMG Taseer Hadi & Co.
Chartered Accountants

STATEMENT OF COMPLIANCE

WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE)
REGULATIONS, 2019
FOR THE YEAR ENDED JUNE 30, 2026

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

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

Male*	Six (06)
Female	Two (02)

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

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

Independent Directors	Mr. Rashid Ahmed Jafer Mr. Anwar Mansoor Khan
Non-Executive Directors	Mr. Khalid Aziz Mirza Mr. Yoshiaki Matsuoka Mr. Ramon Alfrey
Non-Executive Female Directors	Ms. Yoko Miura Ms. Kotoko Sato
Executive Director*	Mr. Shaheen Amin

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

3. The Directors have confirmed that none of them is serving as a director on more than seven (07) listed companies, including the Company;
4. The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has approved a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their dates of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised, and decisions on relevant matters have been taken by the Board / Shareholders, as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and the Regulations;
7. The meetings of the Board were presided over by the Chairman of the Board. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of the directors in accordance with the Act and the Regulations;
9. Five out of eight Directors of the Company have acquired certification/exemption under the Directors' Training Program. Ms. Yoko Miura and Ms. Kotoko Sato, who were appointed to the Board during the year, are within the period of one year from their respective dates of appointment available under Regulation 19(2) for acquiring the prescribed certification;

10. The Board approved the appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. The Chief Financial Officer and the Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has the following Committees as of June 30, 2026, comprising of the members given below:

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

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance.
14. The frequency of meetings of the Board Committees was as follows:
 - a) **Audit and Risk Committee** – Six meetings were held during the year; at least one meeting was held in each quarter of the year.
 - b) **Human Resource, Nomination and Remuneration Committee** – One meeting was held during the year.
 - c) **Credit Committee** – One meeting was held during the year.
 - d) **Compensation Committee** – No meeting was held during the year
15. The Board has set up an effective internal audit function. The Internal Auditors are conversant with the policies and procedures of the Company and are considered suitably qualified and experienced for the purpose;
16. The Statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

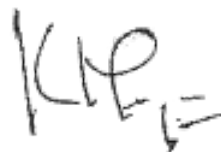
17. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations have been complied with.
19. In relation to Regulation 6 of the CCG, it may be noted that two independent directors are on the Board of the Company as of June 30, 2026. Given the size of the board, the Board is confident that the board has a balanced composition and includes a fair representation of independent directors. The current Board of Directors are a sound mix of independent, female and non-executive directors enabling the Board to effectively guide the Company to achieve its strategic objectives.
20. In relation to Regulation 10A of the CCG, the Board has assigned additional responsibilities to the Board Audit & Risk Committee for incorporating provisions related to diversity, equity and inclusion (DE&I) and sustainability-related risks. Accordingly, Committee's terms of reference have been expanded.
21. In relation to Regulation 29 and 30 of the CCG, the functions of nomination committee are being performed by the Human Resource, Nomination and Remuneration Committee and functions of risk management committee are being performed by the Audit & Risk Committee. Considering that the relevant responsibilities have been incorporated into the terms of reference of the respective Board Committees, the Board considers that constitution of separate Nomination and Risk Management Committees would result in duplication of functions.
22. In relation to regulation 35(1) of the CCG, the requirement to disclose significant policies on the website is non-mandatory. Thus, the Company has uploaded key corporate governance information in this respect on its website.
23. Explanations for any impediments in complying with the requirements of Regulation 2, other than Regulations 3, 6, 7, 8, 27, 32, 33 and 36, are given below:

a. Directors Training (regulation 19)

In relation to regulation 19(2) of the CCG, the independent director, Mr. Anwar Mansoor Khan, is a distinguished senior lawyer designated as "Senior Advocate" by the Supreme Court of Pakistan. He has served as the Attorney General of Pakistan, Advocate General for the Province of Sindh and Judge of the High Court of Sindh. With over 44 years of distinguished service and expertise in corporate legal practice and governance, his knowledge and experience are considered to be at a level that effectively meets and exceeds the objectives of the DTP.



SHAHEEN AMIN
Chief Executive Officer



KHALID AZIZ MIRZA
Chairman

NOTICE OF THE 40TH ANNUAL GENERAL MEETING

Notice is hereby given that the 40th Annual General Meeting (the AGM) of OLP Financial Services Pakistan Limited (the Company) will be held on Thursday, October 22, 2026, at 10:00 a.m. at iROOTS College, Wisdom Square Auditorium, Plot 27, Shahrah-e-Faisal, Darul Aman Society, Block 7 & 8, Karachi and also through video link (Zoom Application), to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (Consolidated and Unconsolidated) of the Company for the year ended June 30, 2026, the Auditors' Report and Directors' Report thereon and Chairman's Review Report.

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



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

2. To consider and approve the final dividend for the year ended June 30, 2026, in cash at PKR 4 per share of PKR 10/- (40%), as recommended by the Board of Directors, which is in addition to the 20% Interim Cash Dividend (i.e. PKR. 2 per share) already paid.
3. To appoint auditors of the Company for the financial year 2026-27 and fix their remuneration.
4. To elect 07 (seven) Directors of the Company as fixed by the Board of Directors on September 17, 2026 in accordance with Section 159(1) of the Companies Act, 2017 for the term of three years commencing from October 22, 2026. The names of retiring Directors are stated hereunder:
 1. Mr. Khalid Aziz Mirza
 2. Mr. Rashid Ahmed Jafer
 3. Mr. Anwar Mansoor Khan
 4. Mr. Yoshiaki Matsuoka
 5. Ms. Yoko Miura
 6. Ms. Kotoko Sato
 7. Mr. Ramon Alfrey
5. To transact any other ordinary business of the Company with the permission of the Chairman

The Statement of material facts under the section 166(3) of the Companies Act, 2017, is annexed with the notice of AGM circulated to Shareholders.

Karachi
Thursday, October 01, 2026

BY ORDER OF THE BOARD
NADEEM AMIR ALI
Company Secretary

NOTES

1. PROHIBITION ON GRANT OF GIFTS TO SHAREHOLDERS

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

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

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

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

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

3. BOOK CLOSURE

- 3.1** The Members' Register shall remain closed from October 15, 2026 to October 22, 2026 (both days inclusive). Transfers in good order received at the office of the Company's Share Registrar before the close of the business on October 14, 2026, will be treated in time to attend the AGM and for entitlement to the dividend. Address of the Company's Share Registrar is as follows:

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

- 3.2** All Shareholders entitled to attend, speak and vote at the AGM may appoint a proxy to attend, speak and vote on behalf of the Shareholder. The proxy needs to be a Member of the Company. Form of proxy, in order to be valid must be properly filled-in/executed and received at the registered office of the Company situated at OLP Building, Plot No 16, Sector No 24, Korangi Industrial Area, Karachi or at Company's Share Registrar Office not later than 48 hours before the time of the meeting excluding holidays.
- 3.3** The Shareholders and their proxies are required to produce their Computerized National Identity Card (CNIC) or passport for identification purpose, at the time of attending the AGM. The Proxy Form must be submitted to the Company within stipulated time as mentioned in note 3.2 above, duly witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the Proxy Form, along with attested copies of the CNICs or passports of the beneficial owner and the proxy. In case of corporate entity, the resolution of the Board of Directors or power of attorney with specimen signature of the nominee shall be produced at the time of AGM. The Proxy Form is available on Company's website (www.olpfinance.com/investor-relations/).

3.4 Members holding shares in physical form are requested to promptly notify Shares Registrar of the Company of any change in their addresses or any other particulars. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Service.

3.5 CDC account holders shall also follow the guidelines as laid down by the Securities and Exchange Commission of Pakistan (SECP).

4. ELECTION OF DIRECTORS

Any person who seeks to contest an election for the office of Director, shall whether he/she is a retiring Director or otherwise, file with the Company the following documents at its registered office not later than fourteen (14) days before the date of the meeting:

- (i) His/her intention to offer him/herself for the election of Directors along with duly signed consent under Section 159(3) of the Companies Act 2017 and declaration to act as Director;
- (ii) Undertaking on non-judicial stamp paper in respect of being compliant with the requirements of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019 to act as the director of a listed company;
- (iii) Fit and Proper Test for appointment of Directors as contained in Annexures A of Non-Banking Finance Companies and Notified Entities Regulations, 2008 along with questionnaire duly completed;
- (iv) Affidavit to, inter alia, meet the requirement of Annexure B of Non-Banking Finance Companies and Notified Entities Regulations, 2008; and
- (v) Educational documents, resume, recent photograph, profile for uploading at website and copy of CNIC / passport, wealth statement and income tax return.

For Independent Director:

Along with the documents mentioned above, any person willing to contest election as Independent Director is required to submit the following additional documents:

- (a) Declaration by independent director(s) in terms of Regulation 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019;
- (b) Undertaking on non-judicial stamp paper that he/she meets the requirements of sub-regulation (1) of Regulation 4 of the Companies (Manner and Selection of Independent Directors) Regulations, 2018; and
- (c) Evidence that his/her name is included in the Data portal of Independent Director maintained by the Pakistan Institute of Corporate Governance (PICG).

5. AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON THE WEBSITE

The Financial Statements for the year ended June 30, 2026, along with the Auditor's and Directors' Report have been placed on the Company's website (www.olpfinance.com/investor-relations/) in addition to the quarterly financial statements.

6. ELECTRONIC TRANSMISSION OF ANNUAL REPORT 2026

In compliance with section 223(6) of the Act and pursuant to the S.R.O. 389(I)/2023 dated March 21, 2023, the Company has electronically transmitted the Annual Report 2026 through weblink, QR enabled code and through email to Members whose email addresses are available with the Company's Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited. However, in cases, where email addresses are not available with the Company's Share Registrar, printed copies of the notices of AGM along-with the QR enabled code/weblink to download the Annual Report 2026 (containing the financial statements), have been dispatched to Shareholders at their registered addresses. Annual Report 2026 is also available electronically on PUCARS system of Pakistan Stock Exchange and the Company's website.

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

7. SUBMISSION OF COPIES OF CNICs/NTN

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

8. PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE

As per Section 242 of the Companies Act, 2017, a listed company shall pay cash dividend to its shareholders only through electronic mode directly into the bank account designated by the entitled shareholder. Therefore, the physical dividend warrants will not be issued to the Company's Shareholders. In order to receive dividend into respective bank accounts, the Shareholders are requested (if not already provided) to fill in the Dividend Mandate Form for Electronic Credit of Cash Dividend, available on the Company's website and send the duly signed form, along with a copy of CNIC & copy of cheque leaf/account maintenance certificate/any other relevant document confirming bank account title of shareholder to the Company's Share Registrar in case of physical shares. In case shares are held in the CDC/Brokerage House, Dividend Mandate Form must be directly submitted to the CDC investor account services/respective participant accounts. In case of non-receipt of information, the Company will be obliged to withhold payment of dividends to such shareholders.

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

9.1 According to the provisions of the Finance Act 2026 effective July 2026, the rate of deduction of the Income Tax from dividend payments has been as follows:

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

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

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

- 9.3** Withholding tax will be determined separately on 'Filer/Non-filer' status of principal shareholder as well as joint-holder(s) based on their shareholding proportions. In this regard, the Shareholders who hold the Company's shares jointly are requested to provide shareholding proportions of the principal shareholder and joint-holder(s) in respect of shares held by them (if not already provided) to the Company's Share Registrar in writing, within ten (10) days of this notice. Otherwise, it will be assumed that the shares are equally held by the principal shareholder and joint holder(s).
- 9.4** The Corporate Shareholders having CDC accounts are required to have their complete NTN updated with their respective participants, and the corporate physical shareholders are requested to send a copy of their NTN certificate to the Company's Share Registrar. The Shareholders while sending NTN or NTN certificates, as the case may be, must quote the company's name and their respective folio numbers.

10. VIDEO CONFERENCE FACILITY

Pursuant to the SECP's circular No. 10/2014, dated May 21, 2014, and Section 134(1)(b) of the Companies Act 2017, the Members can also avail video conference facility at places other than Karachi (since the AGM is scheduled to be held in Karachi); provided that the Company shall receive consent from members holding in aggregate 10% or more shareholding, residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to the AGM. The Company will arrange a video conference facility in the city subject to availability of such facility in that city. In this regard, the Shareholders are requested to send duly signed Form of Video Conference Facility, available on Company's website to the Company's Share Registrar.

11. UNCLAIMED DIVIDEND AND UNDELIVERED SHARE CERTIFICATES

The Company has previously discharged its responsibility under Section 244 of the Companies Act, 2017 whereby the Company approached the Shareholders to claim their unclaimed dividends and undelivered share certificates in accordance with the law.

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

12. CONVERSION OF PHYSICAL SHARES INTO CDC ACCOUNT

The SECP through its letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021, advised listed companies to pursue shareholders holding shares in physical form for conversion of their shareholding into book-entry form in accordance with Section 72 of the Companies Act, 2017.

In continuation of the Company's earlier reminder through newspaper publication dated December 20, 2024, Shareholders who still hold shares in physical form are once again requested to convert their shareholding into book-entry form at the earliest.

13. PROCEDURE FOR E-VOTING AND POSTAL BALLOT

Pursuant to the Companies (Postal Ballot) Regulations, 2018 read with Sections 143 and 144 of the Companies Act, 2017, Members will be allowed to exercise their right of vote through postal ballot i.e. voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations if the number of directors who offer themselves to be elected will be more than the number of elected directors fixed by the Board under section 159(1) of the Companies Act, 2017.

(I) E-VOTING PROCEDURE

- (a) Details of e-voting facility will be shared through e-mail with those members of the Company who have their valid CNIC numbers, Cell Numbers and e-mail addresses available in the register of Members of the Company on the first day of book closure.
- (b) The security codes will be communicated to members through SMS from the web portal of FAMCO Share Registration Services (Private) Limited. The Company has made arrangements with FAMCO Share Registration Services (Private) Limited for provision of the e-voting facility, which will become operational in the event that the number of candidates exceeds the number of Directors fixed by the Board.
- (c) Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- (d) E-Voting lines will start from October 15, 2026, 17:00 hours and shall close on October 21, 2026 at 17:00 hours. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

(II) POSTAL BALLOT

Members may alternatively opt for voting through postal ballot. The Members shall ensure that duly filled and signed ballot paper, along with copy of their CNIC, should reach the Chairman of the meeting through post on the Company's registered address, OLP Financial Services Pakistan Limited, OLP Building Plot No. 16, Sector No. 24, Korangi Industrial Area, Karachi or email with subject "Voting through Postal Ballot" at agm@olpfinance.com not later than one day before the AGM on October 21, 2026, by 5:00 pm. The signature on the ballot paper shall match the signature on CNIC. Postal Ballot Paper will be placed on the Company's website (www.olpfinance.com/investor-relations/) at least seven (7) days before the meeting.

14. APPOINTMENT OF SCRUTINIZER

Under Regulation 11 of the Companies (Postal Ballot) Regulations, 2018, the Board has appointed M/s. Grant Thornton, Anjum Rahman & Co. Chartered Accountants, a QCR rated audit firm, to act as the Scrutinizer of the Company for the purpose of election of directors in the AGM and to undertake other responsibilities as defined in Regulation 11A of the Regulations. M/s. Grant Thornton, Anjum Rahman & Co. Chartered Accountants, possesses the requisite qualification and experience to independently scrutinize the election and voting process. Further details regarding the Scrutinizer are available at www.grantthornton.pk/en/.

STATEMENT OF MATERIAL FACTS UNDER SECTION 166(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts regarding the appointment of Independent Director given at Agenda No. 4 of the Notice, intended to be transacted at the AGM.

Independent Directors

Pursuant to Section 166(3) of the Companies Act, 2017, Independent Directors will be elected through the process of election of directors in terms of Section 159 of the Companies Act, 2017. After the receipt of notice/intention to contest for elections with the Company, the Company will ensure that following criteria shall be met:

- (a) They meet the independence criteria as set out in Section 166(2) of the Companies Act, 2017;
- (b) Their names are included in the data bank maintained by Pakistan Institute of Corporate Governance (PICG) as required under section 166(1) of the Companies Act, 2017; and
- (c) They meet the eligibility criteria as provided in Regulation 4 of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.



ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

Shariah Advisor's Report

For the period ended June 30, 2026

OLP Financial Services Pakistan Limited (formerly ORIX Leasing Pakistan Limited) commenced its journey in Islamic Financing in April 2011. With our guidance and consultation, OLP developed and introduced its first Shariah-compliant financial product, **Diminishing Musharakah**.

During the year under review, the Diminishing Musharakah transactions undertaken by OLP were reviewed from a Shariah perspective. Based on our review, we are satisfied that the relevant transactions were carried out in accordance with the principles and requirements of Shariah.

We further confirm that the treasury arrangements and accounting treatment relating to Diminishing Musharakah transactions were reviewed and found to be in line with the applicable Shariah requirements.

We pray to Almighty Allah to accept the efforts of OLP Financial Services Pakistan Limited in promoting Islamic Finance and to grant the Company continued guidance, growth and success in its Shariah-compliant operations.

For and on behalf of Alhamd Shariah Advisory Services (Pvt.) Ltd.

Mufti Muhammad Ibrahim Essa
CEO & Director

Mufti Shaikh Noor
Shariah Research Scholar

Date: 02, September, 2026



+92 322 2671867 |



www.alhamdshariahadvisory.com |



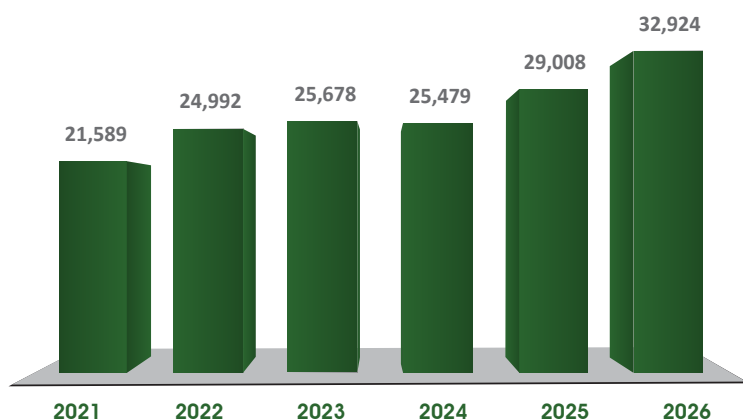
info@alhamdshariahadvisory.com

UNCONSOLIDATED SIX YEARS' FINANCIAL SUMMARY

	2026	2025	2024	2023	2022	2021
Operating Results (Rupees in million)						
Total disbursement	22,734	20,571	16,037	16,077	17,639	16,557
Revenues	6,614	6,964	7,984	6,796	4,490	3,681
Finance cost	2,695	3,158	3,876	3,158	1,794	1,193
Provisions / (reversals)	26	84	174	137	(29)	(18)
Profit for the period before taxation	2,161	2,012	2,291	2,029	1,377	1,284
Profit for the period after taxation	1,334	1,225	1,393	1,211	882	915
Proposed dividend	1,052	965	877	702	702	702
Statement of Financial Position (Rupees in million)						
Portfolio	32,924	29,008	25,479	25,678	24,992	21,589
Property and equipment	1,641	1,340	1,263	1,266	1,289	1,356
Investment in associates	1,753	1,776	1,707	1,719	1,208	916
Total Assets	40,447	35,416	31,954	31,953	29,730	24,786
Total Borrowing	24,792	21,463	18,235	18,679	18,020	14,073
Long term debts	12,796	11,687	7,976	9,812	11,511	7,319
Total Liabilities	28,985	24,519	21,483	22,159	20,816	16,261
Shareholders' equity	11,462	10,897	10,471	9,794	8,914	8,525
PERFORMANCE INDICATORS						
Profitability						
Profit before taxation over revenue	32.67%	28.89%	28.69%	29.86%	30.67%	34.88%
Gross spread	54.26%	50.39%	48.20%	50.44%	56.45%	63.52%
Return on equity	11.93%	11.47%	13.75%	12.94%	10.12%	10.92%
Return on assets	3.52%	3.64%	4.36%	3.93%	3.24%	3.83%
Income / expense ratio	1.49	1.43	1.45	1.47	1.43	1.52
Liquidity						
Current ratio	1.33	1.43	1.21	1.33	1.50	1.27
Cash to current liabilities	0.01	0.02	0.03	0.01	0.10	0.03
Investment / Market						
Price to book ratio	0.75	0.62	0.46	0.33	0.41	0.53
Dividend yield	12.18%	14.30%	18.06%	21.93%	19.05%	15.53%
Dividend payout	78.86%	78.78%	62.96%	57.97%	79.57%	76.74%
Earning per share (Rs.)	7.60	6.99	7.94	6.90	5.03	5.22
Price earning ratio	6.48	5.51	3.49	2.64	4.18	4.94
Market value per share (Rs.)	49.25	38.47	27.68	18.24	21.00	25.75
Proposed dividend	60.00%	55.00%	50.00%	40.00%	40.00%	40.00%
Capital Structure						
Debt / Equity ratio	2.16	1.97	1.74	1.91	2.02	1.65
Book value per share (Rs.)	65.35	62.13	59.69	55.84	50.82	48.60
Interest cover ratio	1.81	1.66	1.64	1.69	1.75	2.06

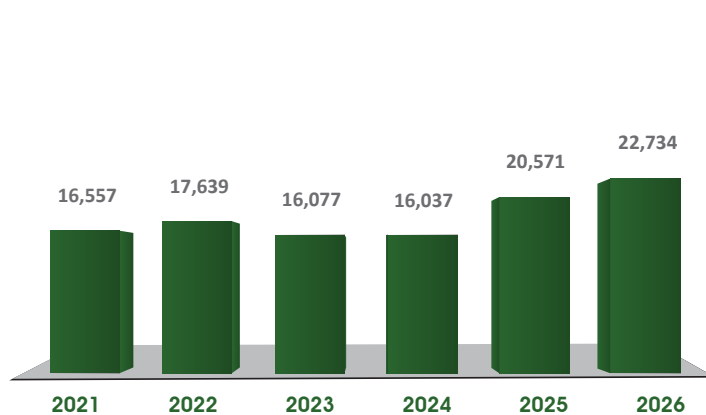
Portfolio

(Rs. in million)



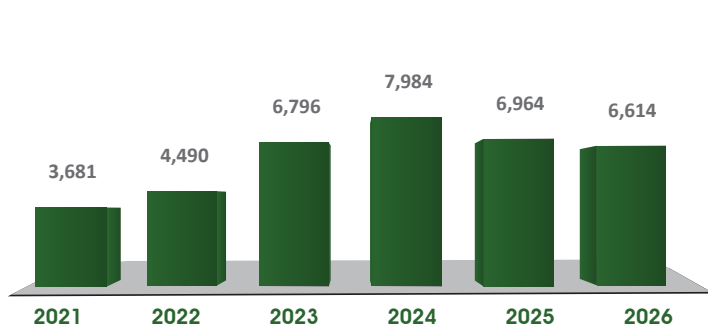
Disbursements

(Rs. in million)



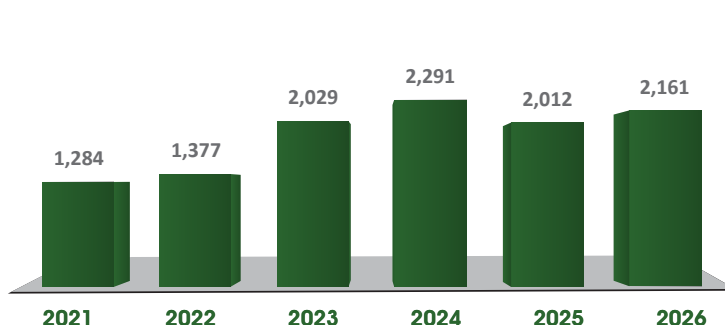
Revenues

(Rs. in million)



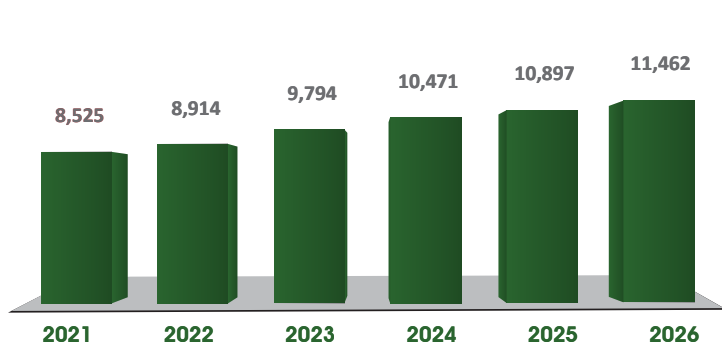
Profit before tax

(Rs. in million)



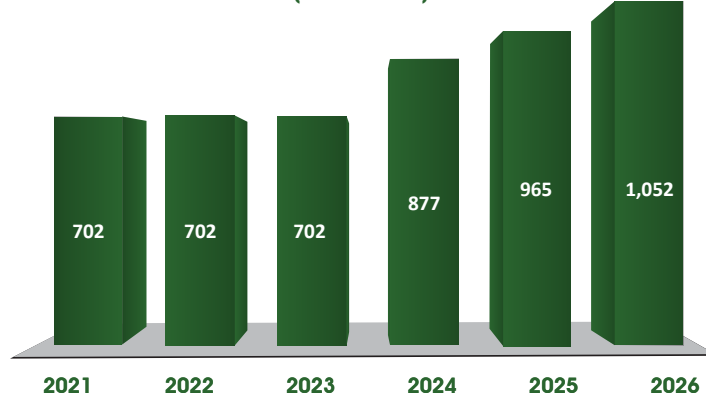
Shareholders' equity

(Rs. in million)



Dividends

(Rs. in million)



UNCONSOLIDATED SIX YEARS' VERTICAL ANALYSIS

Unconsolidated Statement of Financial Position	2026		2025		2024		2023		2022		2021	
	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%
ASSETS												
Non-current assets												
Property and equipment	1,641	4.06%	1,340	3.78%	1,263	3.95%	1,266	3.96%	1,289	4.34%	1,356	5.47%
Intangible assets	52	0.13%	13	0.04%	1	0.00%	1	0.00%	1	0.00%	4	0.02%
Net investment in finance lease	3,561	8.80%	3,726	10.52%	4,100	12.83%	5,734	17.95%	6,495	21.85%	6,563	26.48%
Long-term loans and finances	13,019	32.19%	10,979	31.00%	9,019	28.23%	7,271	22.76%	7,009	23.58%	4,509	18.19%
Investment in subsidiaries	322	0.80%	322	0.91%	322	1.01%	322	1.01%	322	1.08%	322	1.30%
Investment in associate	1,753	4.33%	1,776	5.02%	1,707	5.34%	1,719	5.38%	1,208	4.06%	916	3.70%
Long-term investments	26	0.06%	22	0.06%	15	0.05%	-	0.00%	195	0.66%	387	1.56%
Long-term deposits	12	0.03%	11	0.03%	11	0.03%	11	0.03%	12	0.04%	12	0.05%
Defined benefit plan asset	55	0.14%	64	0.18%	22	0.07%	6	0.02%	27	0.09%	8	0.03%
	20,441	50.54%	18,253	51.54%	16,460	51.51%	16,330	51.11%	16,558	55.69%	14,077	56.79%
Current assets												
Short-term finances	1	0.00%	5	0.01%	34	0.11%	42	0.13%	20	0.07%	6	0.02%
Current maturity of non-current assets	16,333	40.38%	14,218	40.15%	12,235	38.29%	12,604	39.45%	11,337	38.13%	9,849	39.74%
Long-term investments	2,862	7.08%	2,183	6.16%	2,560	8.01%	2,448	7.66%	577	1.94%	328	1.32%
Advances and prepayments	28	0.07%	24	0.07%	66	0.21%	29	0.09%	29	0.10%	28	0.11%
Other receivables	569	1.41%	450	1.27%	101	0.32%	90	0.28%	72	0.24%	20	0.08%
Cash and bank balances	208	0.51%	278	0.79%	404	1.26%	145	0.45%	872	2.93%	213	0.86%
Assets classified as held for sale	5	0.01%	5	0.01%	93	0.29%	265	0.83%	265	0.89%	265	1.07%
	20,006	49.46%	17,163	48.46%	15,493	48.49%	15,623	48.89%	13,172	44.31%	10,709	43.21%
Total assets	40,447	100.00%	35,416	100.00%	31,953	100.00%	31,953	100.00%	29,730	100.00%	24,786	100.00%
EQUITY AND LIABILITIES												
Share capital and reserves	11,462	28.34%	10,897	30.77%	10,471	32.77%	9,794	30.65%	8,914	29.98%	8,525	34.39%
Non-current liabilities												
Long-term finances	12,705	31.41%	11,042	31.18%	7,082	22.16%	8,822	27.61%	9,415	31.67%	4,728	19.08%
Long-term certificates of deposit	91	0.23%	645	1.82%	893	2.79%	990	3.10%	2,096	7.05%	2,592	10.46%
Deferred taxation	856	2.12%	765	2.16%	595	1.86%	623	1.95%	363	1.22%	412	1.66%
Lease liabilities	249	0.62%	90	0.25%	150	0.47%	194	0.61%	336	1.13%	287	1.16%
	13,901	34.37%	12,542	35.41%	8,720	27.29%	10,629	33.26%	12,210	41.07%	8,019	32.35%
Current liabilities												
Accrued and other liabilities	2,474	6.12%	1,546	4.37%	1,575	4.93%	1,187	3.71%	1,264	4.25%	855	3.45%
Unpaid dividend	-	0.00%	-	0.00%	-	0.00%	483	1.51%	168	0.57%	185	0.75%
Unclaimed dividend	40	0.10%	37	0.10%	35	0.11%	34	0.11%	34	0.11%	27	0.11%
Short-term borrowings	1,674	4.14%	1,918	5.42%	1,684	5.27%	861	2.69%	389	1.31%	1,446	5.83%
Short-term certificates of deposit	2,330	5.76%	2,106	5.95%	4,183	13.09%	3,311	10.36%	1,574	5.29%	1,692	6.83%
Taxation - net	102	0.25%	187	0.53%	235	0.74%	318	1.00%	233	0.78%	172	0.69%
Current maturity of non-current liabilities	8,464	20.93%	6,183	17.46%	5,050	15.80%	5,336	16.70%	4,944	16.63%	3,865	15.59%
	15,084	37.29%	11,977	33.82%	12,762	39.94%	11,530	36.08%	8,606	28.95%	8,242	33.25%
Total equity and liabilities	40,447	100.00%	35,416	100.00%	31,953	100.00%	31,953	100.00%	29,730	100.00%	24,786	100.00%

Unconsolidated Statement of Profit or Loss	2026		2025		2024		2023		2022		2021	
	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%
INCOME												
Income from operations												
Mark-up on finance leases	1,387	20.97%	1,806	25.94%	2,784	34.87%	2,881	42.39%	2,253	50.18%	2,219	60.28%
Mark-up on loans and finances	4,251	64.27%	4,086	58.68%	4,101	51.37%	3,023	44.48%	1,615	35.97%	971	26.38%
	5,638	85.24%	5,892	84.62%	6,885	86.23%	5,904	86.87%	3,868	86.15%	3,190	86.66%
Income from other activities												
Other income - net	847	12.81%	917	13.17%	959	12.01%	774	11.39%	558	12.43%	456	12.39%
Share of profit from associate - net of tax	129	1.95%	154	2.21%	140	1.75%	118	1.74%	64	1.43%	35	0.95%
	976	14.76%	1,071	15.38%	1,099	13.77%	892	13.13%	622	13.85%	491	13.34%
Total Income	6,614	100.00%	6,963	100.00%	7,984	100.00%	6,796	100.00%	4,490	100.00%	3,681	100.00%
EXPENSES												
Finance cost	2,695	40.75%	3,158	45.35%	3,876	48.55%	3,158	46.47%	1,794	39.96%	1,193	32.41%
Administrative and general expenses	1,694	25.61%	1,675	24.06%	1,615	20.23%	1,435	21.12%	1,285	28.62%	1,136	30.86%
Direct cost	38	0.57%	34	0.49%	28	0.35%	37	0.54%	63	1.40%	86	2.34%
	4,427	66.93%	4,867	69.90%	5,519	69.13%	4,630	68.13%	3,142	69.98%	2,415	65.61%
Profit before provision and taxation	2,187	33.07%	2,096	30.10%	2,465	30.87%	2,166	31.87%	1,348	30.02%	1,266	34.39%
Reversal of expected credit loss / provision against leases, loans and finances - net	(15)	-0.23%	(143)	-2.05%	(42)	-0.53%	106	1.56%	(65)	-1.45%	(40)	-1.09%
Other provision - net	41	0.62%	227	3.26%	216	2.71%	31	0.46%	36	0.80%	22	0.60%
	26	0.39%	84	1.21%	174	2.18%	137	2.02%	(29)	-0.65%	(18)	-0.49%
Profit before income taxes and levy	2,161	32.67%	2,012	28.90%	2,291	28.69%	2,029	29.86%	1,377	30.67%	1,284	34.88%
Taxation	827	12.50%	787	11.30%	898	11.25%	818	12.04%	495	11.02%	369	10.02%
Profit for the year after taxation	1,334	20.17%	1,225	17.59%	1,393	17.45%	1,211	17.82%	882	19.64%	915	24.86%

UNCONSOLIDATED SIX YEARS' HORIZONTAL ANALYSIS

Unconsolidated Statement of Financial Position	2026	26 vs 25	2025	25 vs 24	2024	24 vs 23	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20
	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%
ASSETS												
Non-current assets												
Property and equipment	1,641	22.46%	1,340	6.10%	1,263	-0.24%	1,266	-1.78%	1,289	-4.94%	1,356	-21.93%
Intangible assets	52	300.00%	13	1200.00%	1	0.00%	1	0.00%	1	-75.00%	4	-63.64%
Net investment in finance lease	3,561	-4.43%	3,726	-9.12%	4,100	-28.50%	5,734	-11.72%	6,495	-1.04%	6,563	9.68%
Long-term loans and finances	13,019	18.58%	10,979	21.73%	9,019	24.04%	7,271	3.74%	7,009	55.44%	4,509	94.94%
Investment in subsidiaries	322	0.00%	322	0.00%	322	0.00%	322	0.00%	322	0.00%	322	0.00%
Investment in associate	1,753	-1.30%	1,776	4.04%	1,707	-0.70%	1,719	42.30%	1,208	31.88%	916	-2.97%
Long-term investments	26	18.18%	22	46.67%	15	0.00%	-	-100.00%	195	-49.61%	387	-12.64%
Long-term deposits	12	9.09%	11	0.00%	11	0.00%	11	-8.33%	12	0.00%	12	-7.69%
Defined benefit plan asset	55	-14.06%	64	190.91%	22	266.67%	6	-77.78%	27	237.50%	8	-79.49%
Total non-current assets	20,441	11.99%	18,253	10.89%	16,460	0.80%	16,330	-1.38%	16,558	17.62%	14,077	19.24%
Current assets												
Short-term finances	1	-80.00%	5	-85.29%	34	-19.05%	42	110.00%	20	233.33%	6	-97.44%
Current maturity of non-current assets	16,333	14.88%	14,218	16.21%	12,235	-2.93%	12,604	11.18%	11,337	15.11%	9,849	2.82%
Short-term investments	2,862	31.10%	2,183	-14.73%	2,560	4.58%	2,448	324.26%	577	75.91%	328	-59.15%
Advances and prepayments	28	16.67%	24	-63.64%	66	127.59%	29	0.00%	29	3.57%	28	55.56%
Other receivables	569	26.44%	450	345.54%	101	12.22%	90	25.00%	72	260.00%	20	-75.00%
Cash and bank balances	208	-25.18%	278	-31.19%	404	178.62%	145	-83.37%	872	309.39%	213	2.40%
Assets classified as held for sale	5	0.00%	5	-94.62%	93	-64.91%	265	0.00%	265	0.00%	265	-2.21%
Total current assets	20,006	16.56%	17,163	10.78%	15,493	-0.83%	15,623	18.61%	13,172	23.00%	10,709	-4.32%
Total assets	40,447	14.21%	35,416	10.84%	31,953	0.00%	31,953	7.48%	29,730	19.95%	24,786	7.77%
EQUITY AND LIABILITIES												
Share capital and reserves												
	11,462	5.18%	10,897	4.07%	10,471	6.91%	9,794	9.87%	8,914	4.56%	8,525	3.53%
Non-current liabilities												
Long-term finances	12,705	15.06%	11,042	55.92%	7,082	-19.72%	8,822	-6.30%	9,415	99.13%	4,728	3.23%
Long-term certificates of deposit	91	-85.89%	645	-27.77%	893	-9.80%	990	-52.77%	2,096	-19.14%	2,592	-1.44%
Deferred taxation	856	11.90%	765	28.57%	595	-4.49%	623	71.63%	363	-11.89%	412	-20.16%
Lease liabilities	249	176.67%	90	-40.00%	150	-22.68%	194	-42.26%	336	17.07%	287	-0.35%
Total non-current liabilities	13,901	10.84%	12,542	43.83%	8,720	-17.96%	10,629	-12.95%	12,210	52.26%	8,019	0.06%
Current liabilities												
Accrued and other liabilities	2,474	60.03%	1,546	-1.84%	1,575	32.69%	1,187	-6.09%	1,264	47.84%	855	136.19%
Unpaid dividend	-	0.00%	-	0.00%	-	-100.00%	483	187.50%	168	-9.19%	185	0.00%
Unclaimed dividend	40	8.11%	37	5.71%	35	2.94%	34	0.00%	34	25.93%	27	0.00%
Short-term borrowings	1,674	-12.72%	1,918	13.90%	1,684	95.59%	861	121.34%	389	-73.10%	1,446	703.33%
Short-term certificates of deposit	2,330	10.64%	2,106	-49.65%	4,183	26.34%	3,311	110.36%	1,574	-6.97%	1,692	60.53%
Taxation - net	102	-45.45%	187	-20.43%	235	-26.10%	318	36.48%	233	35.47%	172	-53.26%
Current maturity of non-current liabilities	8,464	36.89%	6,183	22.44%	5,050	-5.36%	5,336	7.93%	4,944	27.92%	3,865	-18.80%
Total current liabilities	15,084	25.94%	11,977	-6.15%	12,762	10.69%	11,530	33.98%	8,606	4.42%	8,242	22.09%
Total equity and liabilities	40,447	14.21%	35,416	10.84%	31,953	0.00%	31,953	7.48%	29,730	19.95%	24,786	7.77%

Unconsolidated Statement of Profit or Loss	2026	26 vs 25	2025	25 vs 24	2024	24 vs 23	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20
	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%
INCOME												
Income from operations												
Mark-up on finance leases	1,387	-23.20%	1,806	-35.13%	2,784	-3.37%	2,881	27.87%	2,253	1.53%	2,219	-24.34%
Mark-up on loans and finances	4,251	4.04%	4,086	-0.37%	4,101	35.66%	3,023	87.18%	1,615	66.32%	971	4.86%
	5,638	-4.31%	5,892	-14.42%	6,885	16.62%	5,904	52.64%	3,868	21.25%	3,190	-17.34%
Income from other activities												
Other income - net	847	-7.63%	917	-4.38%	959	23.90%	774	38.71%	558	22.37%	456	-16.79%
Share of profit from associate - net of tax	129	-16.23%	154	10.00%	140	18.64%	118	84.38%	64	82.86%	35	20.69%
	976	-8.87%	1,071	-2.55%	1,099	23.21%	892	43.41%	622	26.68%	491	-14.90%
Total Income	6,614	-5.01%	6,963	-12.79%	7,984	17.48%	6,796	51.36%	4,490	21.98%	3,681	-17.02%
EXPENSES												
Finance cost	2,695	-14.66%	3,158	-18.52%	3,876	22.74%	3,158	76.03%	1,794	50.38%	1,193	-35.34%
Administrative and general expenses	1,694	1.13%	1,675	3.72%	1,615	12.54%	1,435	11.67%	1,285	13.12%	1,136	0.00%
Direct cost	38	11.76%	34	21.43%	28	-24.32%	37	-41.27%	63	-26.74%	86	-45.57%
	4,427	-9.04%	4,867	-11.81%	5,519	19.20%	4,630	47.36%	3,142	30.10%	2,415	-23.06%
Profit before provision and taxation	2,187	4.34%	2,096	-14.97%	2,465	13.80%	2,166	60.68%	1,348	6.48%	1,266	-2.39%
Reversal of expected credit loss / provision against leases, loans and finances - net												
	(15)	-89.51%	(143)	240.48%	(42)	-139.62%	106	-263.08%	(65)	62.50%	(40)	-112.86%
Other provision - net	41	-81.94%	227	5.09%	216	596.77%	31	-13.89%	36	63.64%	22	69.23%
	26	-69.05%	84	-51.72%	174	27.01%	137	-572.41%	(29)	61.11%	(18)	-105.56%
Profit before income taxes and levy	2,161	7.41%	2,012	-12.18%	2,291	12.91%	2,029	47.35%	1,377	7.24%	1,284	31.96%
Taxation	827	5.08%	787	-12.36%	898	9.78%	818	65.25%	495	34.15%	369	36.16%
Profit for the year after taxation	1,334	8.90%	1,225	-12.06%	1,393	15.03%	1,211	37.30%	882	-3.61%	915	30.34%

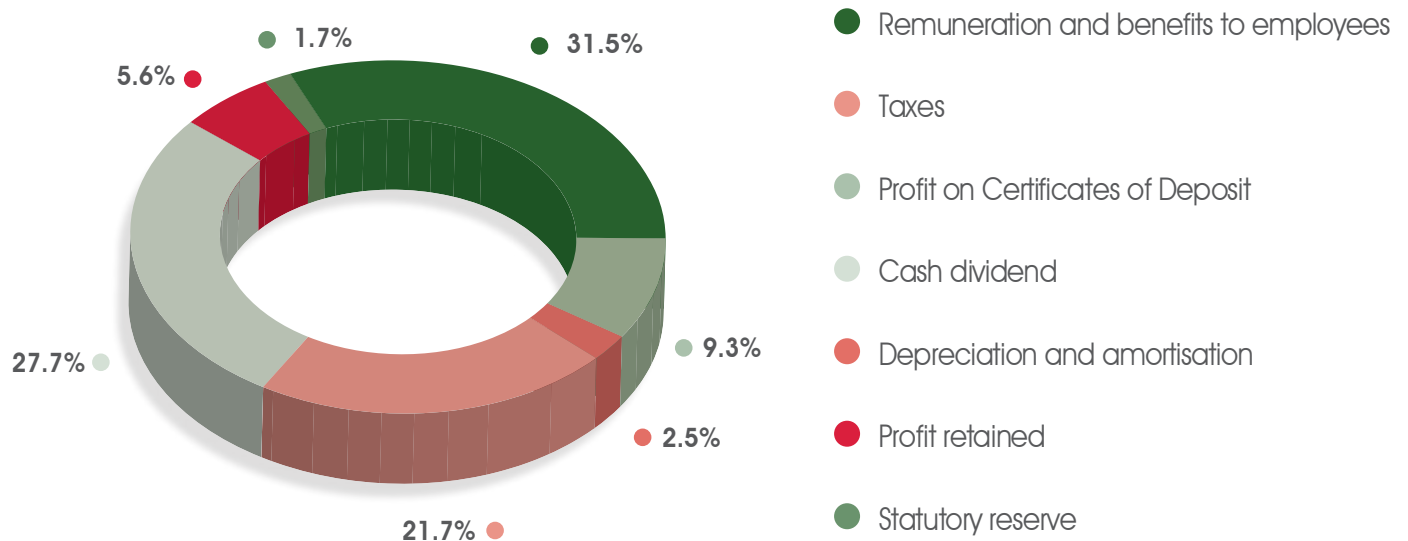
STATEMENT OF VALUE ADDITION

	2026	2025
Revenues from operations - net of ECL / provision	5,611,637,430	5,808,677,323
Other income	847,045,667	917,024,396
Share of profit of equity accounted undertakings	129,223,583	154,255,506
	<u>6,587,906,680</u>	<u>6,879,957,225</u>
Finance cost	2,343,204,369	2,485,772,701
Other cost	438,742,295	419,955,950
	<u>2,781,946,664</u>	<u>2,905,728,651</u>
Value Added	<u><u>3,805,960,016</u></u>	<u><u>3,974,228,574</u></u>

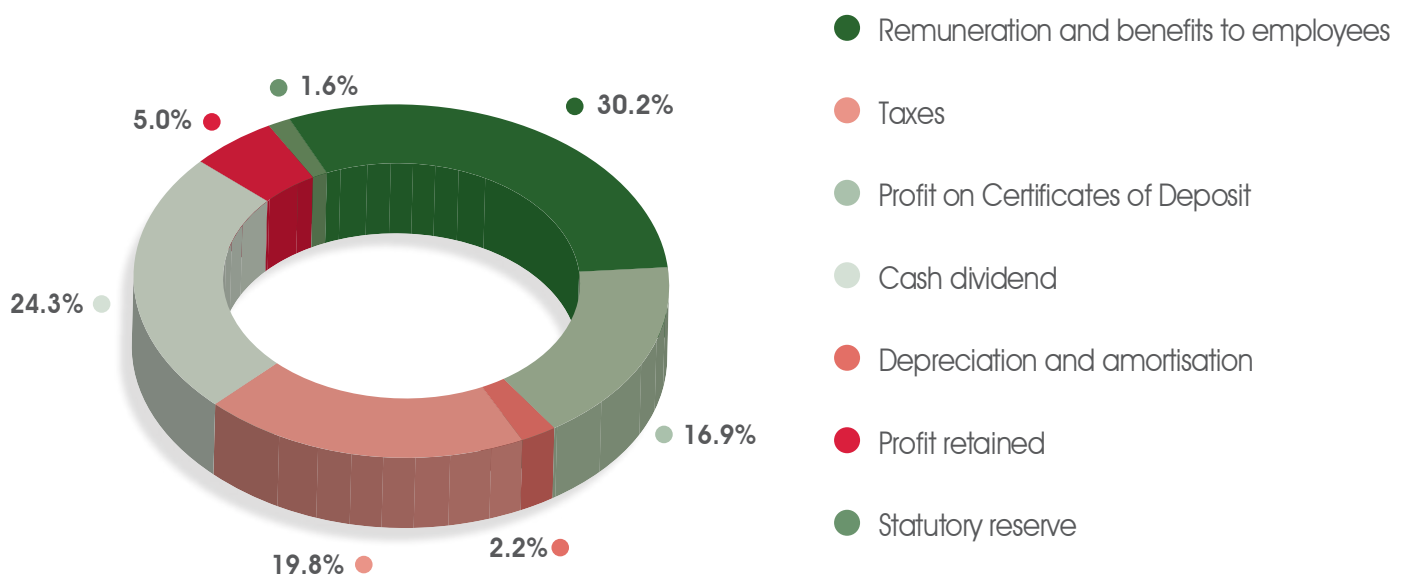
Distributed as follows:

	2026	%	2025	%
Remuneration and benefits to employees	1,199,106,782	31.5%	1,202,101,892	30.2%
Taxes	827,481,030	21.7%	786,913,599	19.8%
Profit on Certificates of Deposit	352,134,590	9.3%	672,403,923	16.9%
Cash dividend	1,052,445,882	27.7%	964,742,059	24.3%
Depreciation and amortisation	93,522,151	2.5%	87,338,124	2.2%
Profit retained	214,583,808	5.6%	199,455,425	5.0%
Statutory reserve	66,685,773	1.7%	61,273,552	1.6%
	<u><u>3,805,960,016</u></u>	<u><u>100%</u></u>	<u><u>3,974,228,574</u></u>	<u><u>100%</u></u>

Distribution of Value Addition - 2026



Distribution of Value Addition - 2025





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

INDEPENDENT AUDITOR'S REPORT

To the members of OLP Financial Services Pakistan Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **OLP Financial Services Pakistan Limited** (the Company), which comprise the unconsolidated statement of financial position as at 30 June 2026, and the unconsolidated statement of profit or loss, the unconsolidated statement of other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to and forming part of the unconsolidated 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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of other comprehensive income, the unconsolidated statement of changes in equity, and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Company's affairs as at 30 June 2026 and of the profit and loss 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 Unconsolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

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

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

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KPMG Taseer Hadi & Co.

Following is the key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1.	Allowance for Expected Credit Loss (ECL) against Loans and finances and Net investment in finance lease (Refer notes 3.3, 3.8.5, 7, 8, 13, 14 and 36 to the unconsolidated financial statements)	
	As at 30 June 2026, the Company maintained allowance for ECL of Rs 602.54 million under the requirements of accounting and reporting standards as applicable in Pakistan against net investment in finance lease, loans and finances and has recognized a gross charge of Rs 189.04 million and gross reversal of Rs 204.01 million during the year. The Company recognizes allowance for ECL against net investment in finance lease and loans and finance under the requirements of IFRS 9. The simplified approach is used to determine ECL on net investment in finance lease. Under this approach, lifetime ECL is measured by grouping financial assets according to the number of days they are past due. The general approach is used to determine ECL on loans and finances. Under this approach, a lifetime ECL is recognized for loans and finances that have experienced a significant increase in credit risk (SICR) since initial recognition, as well as for those that are credit-impaired as of the reporting date. A 12-month ECL is	Our audit procedures in this area included, among others: • Obtaining an understanding of the relevant controls established by the Company over the ECL process to identify loss events and for determining the extent of allowance for ECL required against Loans and finances and Net investment in finance lease balances. • We performed the following procedures: - 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. • Assessing the relevance and completeness of the key inputs into the



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

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

Management is responsible for the other information. The other information comprises of Review Report by the Chairman and Directors' report but does not include the unconsolidated financial statements, consolidated financial statements and our auditor's reports thereon.

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

In connection with our audit of the unconsolidated financial statements, our responsibility is to



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

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

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

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

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

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

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

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

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



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management of the 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

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



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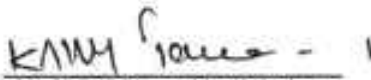
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit and loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn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

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

Date: 24 September 2026

Karachi

UDIN: AR202610106hTnN1JuOU


KPMG Taseer Hadi & Co.
Chartered Accountants

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2026

	Note	2026	2025
Rupees			
ASSETS			
Non-current assets			
Property and equipment	5	1,641,174,968	1,339,572,022
Intangible assets	6	52,490,184	12,797,894
Net investment in finance lease	7	3,560,511,416	3,725,705,505
Long-term loans and finances	8	13,018,591,598	10,979,593,320
Investment in subsidiaries	9	322,374,294	322,374,294
Investment in associate	10	1,753,135,634	1,775,618,949
Long-term investments	11	25,721,833	22,095,195
Long-term deposits		11,550,693	11,120,680
Defined benefit plan assets - net	12	55,048,823	64,305,578
		20,440,599,443	18,253,183,437
Current assets			
Short-term finances	13	817,783	5,105,107
Current maturity of non-current assets	14	16,333,001,829	14,218,466,535
Short-term investments	15	2,862,439,011	2,182,958,179
Advances and prepayments	16	28,277,883	24,133,836
Other receivables	17	569,077,988	449,548,970
Cash and bank balances	18	208,110,261	278,213,665
Assets classified as held for sale	19	4,700,000	4,950,001
		20,006,424,755	17,163,376,293
Total assets		40,447,024,198	35,416,559,730
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital 350,000,000 (June 30, 2025: 350,000,000) ordinary shares of Rs. 10 each		3,500,000,000	3,500,000,000
Issued, subscribed and paid-up share capital	20	1,754,076,470	1,754,076,470
Capital reserves			
Surplus on revaluation of leasehold land and office building	21	1,045,532,523	874,562,239
Other reserves		4,225,273,344	4,159,610,322
		5,270,805,867	5,034,172,561
Revenue reserve		4,437,312,402	4,109,198,564
Total shareholders' equity		11,462,194,739	10,897,447,595
Non-current liabilities			
Long-term finances	22	12,705,149,906	11,042,498,301
Long-term certificates of deposit	23	90,538,332	644,503,472
Deferred taxation	24	856,206,090	765,464,995
Lease liabilities	25	249,360,611	89,749,861
		13,901,254,939	12,542,216,629
Current liabilities			
Accrued and other liabilities	26	2,473,700,462	1,546,228,769
Unclaimed dividend		39,528,375	36,662,289
Short-term borrowings	27	1,673,608,821	1,917,443,770
Short-term certificates of deposit	28	2,329,783,320	2,106,150,587
Taxation - net		102,464,473	186,974,216
Current maturity of non-current liabilities	29	8,464,489,069	6,183,435,875
		15,083,574,520	11,976,895,506
Total equity and liabilities		40,447,024,198	35,416,559,730
Contingencies and commitments			
	30		

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



Shaheen Amin
Chief Executive Officer



Ramon Alfrey
Director



Abid Hussain Awan
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the Year Ended June 30, 2026

	Note	2026	2025
		Rupees	
INCOME			
Income from operations			
Mark-up on finance leases		1,386,928,923	1,806,382,690
Mark-up on loans and finances		4,250,992,307	4,086,027,358
		5,637,921,230	5,892,410,048
Income from other activities			
Other income - net	31	847,045,667	917,024,396
Share of profit from associate - net of tax	32	129,223,583	154,255,506
		976,269,250	1,071,279,902
		6,614,190,480	6,963,689,950
EXPENSES			
Finance cost	33	(2,695,338,959)	(3,158,176,624)
Administrative and general expenses	34	(1,693,590,050)	(1,675,224,161)
Direct cost	35	(37,781,178)	(34,171,805)
		(4,426,710,187)	(4,867,572,590)
Profit before expected credit loss, provision, income tax and levy		2,187,480,293	2,096,117,360
Reversal of expected credit loss against leases, loans and finances - net	36	14,973,880	142,643,835
Other provisions - net	37	(41,257,680)	(226,376,560)
		(26,283,800)	(83,732,725)
Profit before income tax and levy		2,161,196,493	2,012,384,635
Levy - final taxes		(21,763,426)	(20,353,100)
Profit before income tax		2,139,433,067	1,992,031,535
Income tax	39	(805,717,604)	(766,560,499)
Profit for the year		1,333,715,463	1,225,471,036
Earnings per share - basic and diluted			
	50	7.60	6.99

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



Shaheen Amin
Chief Executive Officer



Ramon Alfrey
Director



Abid Hussain Awan
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended June 30, 2026

	Note	2026	2025
		Rupees	
Profit for the year		1,333,715,463	1,225,471,036
Other comprehensive income			
Items that may be reclassified to the unconsolidated statement of profit or loss			
- Exchange (loss) / gain arising on translation of a foreign associate	10.1.3	(38,416,023)	36,120,045
- Deferred tax on exchange (loss) / gain arising on translation of a foreign associate		34,976,558	(14,086,818)
		(3,439,465)	22,033,227
Items that will not be subsequently reclassified to the unconsolidated statement of profit or loss			
- Surplus arising on revaluation of leasehold land and office building	21	230,070,404	-
- Deferred tax on surplus arising on revaluation of office building	21	(33,126,289)	-
		196,944,115	-
- Fair value changes on remeasurement of financial assets classified at FVOCI		3,626,638	23,718,250
- Deferred tax on fair value changes on remeasurement of financial assets at FVOCI		(1,209,924)	(9,250,118)
		2,416,714	14,468,132
Remeasurement (loss) / gain on defined benefit obligation	12.4	(5,276,158)	42,515,097
- Share of other comprehensive income / (loss) from associate	10.1.3	8,140,528	(882,793)
- Deferred tax on share of other comprehensive income/(loss) from an associate		(3,011,994)	344,289
		5,128,534	(538,504)
Total comprehensive income for the year		1,529,489,203	1,303,948,988

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



Shaheen Amin
Chief Executive Officer



Ramon Alfrey
Director



Abid Hussain Awan
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2026

	Note	2026	2025
----- Rupees -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit before working capital changes	40	4,647,608,175	4,733,158,730
Decrease / (increase) in operating assets			
Investment in finance lease - net		539,465,506	1,238,056,619
Long-term loans and finances - net		(4,514,403,315)	(4,664,854,543)
Short-term finances		5,859,530	28,050,346
Long-term deposits		(430,013)	173,886
Advances and prepayments		(4,144,047)	41,507,318
Other receivables		(116,288,270)	(442,969,540)
		(4,089,940,609)	(3,800,035,914)
Increase / (decrease) in operating liabilities			
Other long term liabilities - net		(314,744,539)	(859,509,571)
Accrued and other liabilities		901,701,666	(67,853,244)
		586,957,127	(927,362,815)
Payment against staff retirement benefits		1,144,624,693	5,760,001
Finance cost paid		(11,941,790)	(20,301,804)
Taxes paid		(2,343,289,980)	(2,600,860,482)
		(823,621,327)	(679,063,745)
Net cash used in operating activities		(2,034,228,404)	(3,294,466,030)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred on property and equipment - own use and intangible assets		(70,367,578)	(168,923,862)
Proceeds from disposal of property and equipment - own use		30,283,751	54,992,285
Investments - net		(652,576,100)	511,240,511
Dividends received		133,743,626	133,606,774
Interest received		214,973,518	347,113,960
Net cash (used in) / generated from investing activities		(343,942,783)	878,029,668
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term finances		10,100,000,000	9,950,000,000
Repayments of long-term finances		(6,519,083,984)	(4,583,043,000)
Proceeds from certificates of deposit issued		775,611,580	310,437,894
Payments of certificates of deposit redeemed		(761,075,634)	(2,676,060,736)
Payment of lease liabilities against right-of-use assets		(78,689,233)	(61,227,714)
Dividend paid		(961,875,973)	(875,974,741)
Net cash generated from financing activities		2,554,886,756	2,064,131,703
Net increase / (decrease) in cash and cash equivalents during the year		176,715,569	(352,304,659)
Cash and cash equivalents at the beginning of the year		(1,594,102,390)	(1,241,797,731)
Cash and cash equivalents at the end of the year	41	(1,417,386,821)	(1,594,102,390)

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



Shaheen Amin
Chief Executive Officer



Ramon Alfrey
Director



Abid Hussain Awan
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended June 30, 2026

Issued, subscribed and paid-up capital	Reserves						Total Shareholder's equity		
	Capital reserves					Revenue reserve		Total reserves	
	Share premium	Statutory reserve (note 20.2)	Foreign currency translation reserve	Net surplus / (deficit) on re- measurement of financial assets at fair value through OCI	Surplus on revaluation of leasehold land and office building (note 21)	Unappropri- ated profit			
(Rupees)									
Balance as at July 01, 2024	1,754,076,470	1,501,683,073	1,957,234,499	611,177,389	2,234,530	898,306,747	3,745,824,134	8,716,460,372	10,470,536,842
Profit for the year	-	-	-	-	-	-	1,225,471,036	1,225,471,036	1,225,471,036
Other comprehensive income	-	-	-	22,033,227	14,468,132	-	41,976,593	78,477,952	78,477,952
Total comprehensive income for the year ended June 30, 2025	-	-	-	22,033,227	14,468,132	-	1,267,447,629	1,303,948,988	1,303,948,988
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation	-	-	-	-	-	(29,729,376)	29,729,376	-	-
Deferred tax on transfer of surplus on revaluation of property and equipment on account of incremental depreciation	-	-	-	-	-	5,984,868	(5,984,868)	-	-
	-	-	-	-	-	(23,744,508)	23,744,508	-	-
Transfer to statutory reserve	-	-	61,273,552	-	-	-	(61,273,552)	-	-
Transferred from surplus on revaluation of financial asset at FVOCI on disposal of investment - net of tax	-	-	-	-	(10,494,080)	-	10,494,080	-	-
Transaction with owners recorded directly in equity									
Contributions and distributions									
- Final cash dividend @ Rs. 3 per ordinary share of Rs. 10 each for the year ended June 30, 2024	-	-	-	-	-	-	(526,222,941)	(526,222,941)	(526,222,941)
- Interim cash dividend @ Rs. 2 per ordinary share of Rs. 10 each for the year ended June 30, 2025	-	-	-	-	-	-	(350,815,294)	(350,815,294)	(350,815,294)
	-	-	-	-	-	-	(877,038,235)	(877,038,235)	(877,038,235)
Balance as at June 30, 2025	1,754,076,470	1,501,683,073	2,018,508,051	633,210,616	6,208,582	874,562,239	4,109,198,564	9,143,371,125	10,897,447,595
Profit for the year	-	-	-	-	-	-	1,333,715,463	1,333,715,463	1,333,715,463
Other comprehensive (loss) / income	-	-	-	(3,439,465)	2,416,714	196,944,115	(147,624)	195,773,740	195,773,740
Total comprehensive (loss) / income for the year ended June 30, 2026	-	-	-	(3,439,465)	2,416,714	196,944,115	1,333,567,839	1,529,489,203	1,529,489,203
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation	-	-	-	-	-	(29,729,376)	29,729,376	-	-
Deferred tax on transfer of surplus on revaluation of property and equipment on account of incremental depreciation	-	-	-	-	-	3,755,545	(3,755,545)	-	-
	-	-	-	-	-	(25,973,831)	25,973,831	-	-
Transferred to statutory reserve	-	-	66,685,773	-	-	-	(66,685,773)	-	-
Transferred from surplus on revaluation of financial asset at FVOCI on disposal of investment - net of tax	-	-	-	-	-	-	-	-	-
Transaction with owners recorded directly in equity									
Contributions and distributions									
- Final cash dividend @ Rs. 3.5 per ordinary share of Rs. 10 each for the year ended June 30, 2025	-	-	-	-	-	-	(613,926,765)	(613,926,765)	(613,926,765)
- Interim cash dividend @ Rs. 2 per ordinary share of Rs. 10 each for the year ended June 30, 2026	-	-	-	-	-	-	(350,815,294)	(350,815,294)	(350,815,294)
	-	-	-	-	-	-	(964,742,059)	(964,742,059)	(964,742,059)
Balance as at June 30, 2026	1,754,076,470	1,501,683,073	2,085,193,824	629,771,151	8,625,296	1,045,532,523	4,437,312,402	9,708,118,269	11,462,194,739

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



Shaheen Amin
Chief Executive Officer



Ramon Alfrey
Director



Abid Hussain Awan
Chief Financial Officer

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

1 LEGAL STATUS AND OPERATIONS

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

The registered office of the Company is situated at OLP Building, Plot No. 16, Sector No. 24, Korangi Industrial Area, Karachi. The Company is operating through 30 branches (June 30, 2025: 31 branches).

VIS Credit Rating Company Limited has assigned a long-term rating of AAA and a short-term rating of A1+ to the Company on September 11, 2026.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of, directives and notifications issued under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Whenever the requirements of the Companies Act, 2017, the NBFC Rules or the NBFC Regulations or the directives and notifications issued by the SECP differ with the requirements of IFRS Accounting Standards or IFAS, the requirements of the Companies Act, 2017, the NBFC Rules, the NBFC Regulations, the said directives and notifications, shall prevail.

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

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

- Muj'ir (Lessors) presents the assets subject to Ijarah in their statement of financial position according to the nature of the asset. The Mustajir is required to distinguish these Ijarah assets from the assets in own use.
- Costs, including depreciation on the assets given on Ijarah, incurred in earning the Ijarah income are recognised as expenses.
- Ijarah income is recognised in income on an accrual basis as and when the rental becomes due, unless another systematic basis is more representative of the time pattern in which the benefit of the use derived from the leased asset is diminished.

2.3 Basis of measurement

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

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

2.4 Functional and presentation currency

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

2.5 Use of Judgment and Estimates

The preparation of these unconsolidated financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both the current and future years.

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

- (a) determination of the depreciation method, residual values and useful lives of property and equipment - own use (notes 3.1 and 5);
- (b) determination of expected credit loss / provision against leases, loans and finances (notes 3.8.5 and 36);

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

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- (c) determination of classification, valuation and impairment of financial assets (notes 3.8, 15, 36 and 37);
- (d) classification of investment in subsidiary and investment in associate (note 3.5, 3.6, 9 and 10);
- (e) classification and valuation of assets classified as held for sale (notes 3.4 and 19);
- (f) recognition of taxation and deferred tax (notes 3.12, 39 and 24);
- (g) valuation for defined benefit obligation (notes 3.13 and 12);
- (h) valuation of leasehold land and office building (notes 3.1.1 and 21);
- (i) impairment of non-financial assets (note 3.7); and
- (j) contingencies (note 3.11, 30 & 39.3).
- (k) classification of investments in associates (note 3.6 and 10)

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

2.6.1 There are certain amendments to the published approved accounting and reporting standards that are mandatory for the Company's annual accounting period beginning on July 01, 2025. However, these are not considered to be relevant or do not have any material effect on the Company's unconsolidated financial statements and hence, therefore, have not been disclosed in these unconsolidated financial statements.

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

2.7.1 The following accounting and reporting standards as applicable in Pakistan and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 01, 2026:

Standards and amendments	Effective date (accounting periods beginning on or after)
i) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures:	January 01, 2026
ii) Annual Improvements to IFRS Accounting Standards – Amendments to: - IFRS 7 Financial Instruments: Disclosures and it's accompanying Guidance on implementing IFRS 7; - IFRS 9 Financial Instruments; - IFRS 10 Consolidated Financial Statements; and - IAS 7 Statement of Cash flows.	January 01, 2026
iii) Contracts Referencing Nature-dependent Electricity - (Amendments to IFRS 9 and IFRS 7)	January 01, 2026
iv) Hyperinflationary presentation currency - (Amendments to IAS 21)	January 01, 2027

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

v) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Not yet decided
vi) IFRS 18 Presentation and Disclosure in Financial Statements	January 01, 2027
vii) IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 - Climate-related Disclosures*	December 31, 2026

* The Company formally falls under Phase III (effective July 01, 2027).

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented in these unconsolidated financial statements, except as disclosed in note 4.

3.1 Property and equipment

3.1.1 Own use and capital work in progress

Recognition and measurement

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

Subsequent expenditure

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

Depreciation

Depreciation is charged on cost of items of property and equipment less their estimated residual values using straight-line method over their estimated useful lives as specified in note 5.1, and is recognised in unconsolidated statement of profit or loss. The carrying value of leasehold land is depreciated over its lease term. Depreciation on additions during the year is charged from the date on which the asset is available for use whereas, in case of disposals, depreciation is charged up to the date of disposal of the asset.

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

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

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Revaluation surplus

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

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

Disposal

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

Method / Useful life / Residual value

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted, where appropriate. Any change in depreciation method, useful life or residual value is accounted for as a change in accounting estimate in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

Capital work-in-progress

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

3.1.2 Leases

As a lessee

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

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

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

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

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

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

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

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

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

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

Short-term leases and leases of low-value assets

There are certain leases of premises with lease term of twelve months or less. As per IFRS 16, recognition exemption of "short-term lease" and "lease of low value assets" has been applied for these leases.

3.2 Intangible assets

Recognition and measurement

i) Research and development

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

ii) Other intangible assets

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

Subsequent expenditure

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

Amortisation

Amortisation is charged on the cost of intangible assets under the straight-line method over their estimated useful lives, and is recognised in unconsolidated statement of profit or loss. Amortisation on additions during the year is charged from the date on which the asset is available for use, whereas, in case of disposals, amortisation is charged up to the date of disposal of the asset.

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Useful life

Amortisation useful lives are reviewed at each reporting date and adjusted if appropriate.

Gain / loss on disposal of intangible assets, if any, are taken to the unconsolidated statement of profit or loss in the year in which it arises.

3.3 Net investment in finance lease

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

3.4 Assets classified as held for sale

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

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

3.5 Investment in subsidiaries

Subsidiary is an entity over which the Company has control. Investments in subsidiary is carried at cost less accumulated impairment losses, if any. The carrying amount of investments in subsidiaries is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists the investment's recoverable amount is estimated at higher of its value in use and its fair value less cost to sell. An impairment loss is recognized if the carrying amount exceeds its recoverable amount. Impairment losses are recognized in unconsolidated statement of profit or loss.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

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3.6 Investment in an associate

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

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

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

3.7 Impairment of non-financial assets

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

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

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

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8 Financial assets and financial liabilities

3.8.1 Recognition and initial measurement

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

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

3.8.2 Classification

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

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

- i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

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

- i) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition, equity instruments are measured at fair value and subsequently at FVTPL, unless the Company irrevocably elects to present subsequent changes in fair value in other comprehensive income (OCI).

All other financial assets are classified as measured at FVTPL.

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

Business model assessment

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

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

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- ii) how the performance of the portfolio is evaluated and reported to the Company's management;
- iii) the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- iv) how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- v) the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

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

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

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

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

Reclassifications

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

3.8.3 Derecognition

Financial assets

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

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

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

Financial liabilities

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

3.8.4 Offsetting

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

3.8.5 Impairment

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

- Bank balances
- Net investment in finance lease; and
- Loans and finances.

No impairment loss is recognised on equity investments.

The Company applies IFRS 9 simplified approach for net investment in finance lease, and general approach for loan losses and bank balances, to determine ECL.

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

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

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

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

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

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

Measurement of ECL

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

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

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

- financial assets other than lease receivables: the original effective interest rate or an approximation thereof;
- lease receivables: the discount rate used in measuring the lease receivable;

Significant Increase in Credit Risk (SICR)

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

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

Credit-impaired financial assets

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

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

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

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

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

- Probability of Default (PD): Probability represents the likelihood that a counterparty will default within the next 12 months (12-month ECL, Stage 1) or over the remaining lifetime of the financial instrument (lifetime ECL, Stage 2). The company employs a Roll Rate/Transition Matrix model to analyze monthly migration of obligors across Days Past Due (DPD) buckets, defined in 30-day intervals, based on historical data. These through-the-cycle PDs are then adjusted to point-in-time PDs using the Vasicek Distribution Framework, which incorporates forward-looking macroeconomic variables such as Pakistan's Gross Domestic Product (GDP) and Consumer Price Index (CPI).
- Exposure at Default (EAD): The outstanding principal and accrued markup as of the reporting date, with repayment schedules generated to estimate exposure over the contractual life of each facility. For assets in Stage 1, EAD is limited to the next 12 months unless a significant increase in credit risk (SICR) is identified, in which case lifetime EAD is considered.
- Loss Given Default (LGD): LGD represents the estimated loss arising on a facility upon default and is calculated as the difference between contractual cash flows due and expected recoveries. OLP determines LGD by asset type using vintage analysis of historical recoveries, discounted using effective interest rate applicable to each exposure. The segmentation reflects the underlying collateral (e.g., vehicles, machinery), and recoveries are adjusted for the time value of money.

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

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

3.8.6 Regular way contracts

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

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3.8.7 Write-offs

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

Recoveries of amounts previously written off are recognised when cash is received and are included in 'Allowance of ECL on financial instruments' in the unconsolidated statement of profit or loss. A financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3.9 Financial liabilities

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

Financial liabilities are subsequently measured at amortised cost except for:

- Financial liabilities at fair value through profit and loss; and
- Financial liabilities arising from the transfer of financial assets which do not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer.

3.9.1 Derecognition

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

3.10 Provisions

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

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3.11 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arise from past events but it is not probable that an outflow of resources embodying benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability. The Company, based on the availability of the latest information, estimates the value of contingent liabilities which may differ on the occurrence / non-occurrence of the uncertain future event(s).

3.12 Taxation

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

Current

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

Deferred

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

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

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

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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.

Group Taxation

The Company has opted for Group taxation under section 59AA of the Ordinance, with its subsidiary, OLP Services Pakistan (Private) Limited. The current and deferred income taxes have been estimated on income of each of the companies according to the applicable law.

3.13 Staff retirement benefits

(a) Defined contribution plan

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

(b) Defined benefit plan

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

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

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

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

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

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

3.14 Foreign currency

Foreign currency transactions

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

Foreign currency operations

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

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

3.15 Revenue recognition

3.15.1 i) Finance leases

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

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

ii) Loans and finances

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

Effective interest rate

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

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

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

Amortised cost and gross carrying amount

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

Calculation of interest income

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

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated as disclosed in note 4.

3.15.2 Return on investments

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

Return on deposit accounts is recognised on accrual basis.

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

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

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

3.15.3 Others

Other income is recognised on receipt basis.

3.16 Proposed dividend and transfer between reserves

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

As per regulation 16 of Non-Banking Finance Companies and Notified Entities Regulations, 2008, an NBFC is required to transfer 20% of its profit after tax to a statutory reserve until the amount of the reserves equals the paid up capital. Thereafter, 5% of the profit after tax is required to be transferred to this reserves. Accordingly, the Company has transferred 5% of its profit after tax to the statutory reserves for the year ended June 30, 2026 and June 30, 2025.

3.17 Cash and cash equivalents

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

3.18 Segment reporting

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

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

3.19 Commitments

Commitments are disclosed in the unconsolidated financial statements at committed amounts

4 Revenue recognition on credit-impaired contracts

During the year, the Company obtained an exemption from the Securities and Exchange Commission of Pakistan (SECP) from the requirements of IFRS 9 relating to the recognition of mark-up income on credit-impaired contracts. Under the exemption, the Company is allowed to suspend recognition of mark-up income on credit-impaired contracts until such income is actually realized in cash.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

Previously, the Company followed the requirements of IFRS 9, whereby mark-up income on credit-impaired contracts was accrued by applying the effective interest rate to the amortized cost (i.e. principal outstanding less provision).

Accordingly, mark-up income previously recognized on credit-impaired contracts has been reversed in accordance with the terms of the exemption granted by SECP. As the impact of the change is immaterial, amounting to Rs. 20.06 million, net of tax, the effect has been recognized in the current year.

The impact relating to June 30, 2025 and prior periods recognized in the current year is as follows:

	(Rupees)
Decrease in mark-up income on loans and leases - net	(42,069,372)
Expected credit loss / provision for lease, loans and finances - net	4,027,352
	(38,042,020)
Taxation	17,977,722
	(20,064,298)

5	PROPERTY AND EQUIPMENT	Note	2026	2025
			----- Rupees -----	
	Property and equipment - own use	5.1	1,381,346,882	1,230,390,799
	Right-of-use assets	5.2	259,828,086	109,181,223
			1,641,174,968	1,339,572,022

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

5.1 Property and equipment - own use

	2026							
	Leasehold land	Office building	Leasehold improvements	Furniture, fittings and office equipment	Vehicles	Computers and accessories	Machinery	Total
----- Rupees -----								
As at July 01, 2025								
Cost / revalued amount	900,015,000	134,294,300	194,728,158	149,084,133	224,717,337	119,208,493	16,111,713	1,738,159,134
Accumulated depreciation	(29,987,928)	(38,369,808)	(168,297,101)	(122,919,228)	(40,244,914)	(100,235,475)	(7,713,881)	(507,768,335)
Net book value	870,027,072	95,924,492	26,431,057	26,164,905	184,472,423	18,973,018	8,397,832	1,230,390,799
Year ended June 30, 2026								
Opening net book value	870,027,072	95,924,492	26,431,057	26,164,905	184,472,423	18,973,018	8,397,832	1,230,390,799
Additions	-	-	1,093,375	4,731,940	21,296,422	3,221,600	-	30,343,337
Movement in surplus on assets revalued during the year								
Cost	95,558,000	31,975,800	-	-	-	-	-	127,533,800
Accumulated depreciation	44,981,892	57,554,712	-	-	-	-	-	102,536,604
	140,539,892	89,530,512	-	-	-	-	-	230,070,404
Disposals								
Cost	-	-	-	(7,178,263)	(14,398,519)	(1,960,570)	(16,111,713)	(39,649,065)
Accumulated depreciation	-	-	-	6,521,658	6,581,231	1,960,570	8,318,148	23,381,607
	-	-	-	(656,605)	(7,817,288)	-	(7,793,565)	(16,267,458)
Less: depreciation charge	(14,993,964)	(19,184,904)	(15,313,225)	(9,147,877)	(24,462,646)	(9,483,317)	(604,267)	(93,190,200)
Net book value	995,573,000	166,270,100	12,211,207	21,092,363	173,488,911	12,711,301	-	1,381,346,882
As at June 30, 2026								
Cost / revalued amount	995,573,000	166,270,100	195,821,533	146,637,810	231,615,240	120,469,523	-	1,856,387,206
Less: accumulated depreciation	-	-	(183,610,326)	(125,545,447)	(58,126,329)	(107,758,222)	-	(475,040,324)
Net book value	995,573,000	166,270,100	12,211,207	21,092,363	173,488,911	12,711,301	-	1,381,346,882
Useful life / Rate of depreciation	77 & 99 years	20 years	15% - 33%	15% - 20%	20% - 25%	33%	10%	

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

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

5.1.1 The leasehold land and building of the Company were revalued by M/s. Surval (Private) Limited (an independent professional valuer) on June 30, 2026 on the basis of professional assessment of the present market values which resulted in an increase in surplus on revaluation by Rs. 230 million. The details are mentioned in note 48.

The current forced sales value of leasehold land and office building amounted to Rs. 929.47 million.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

Summary of the fair value as determined by the valuer on June 30, 2026 is as follows:

Address	Market value			Forced sale value
	Land	Building	Total	
	----- Rupees -----			
Plot No. 16, Sector No. 24, Korangi Industrial Area	780,039,000	160,134,400	940,173,400	752,138,720
Plot No. 49, Sector No. 24, Korangi Industrial Area	215,534,000	6,135,700	221,669,700	177,335,760
	995,573,000	166,270,100	1,161,843,100	929,474,480

Particulars of land and building are included in note 5.1.4.

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

	2026		
	Cost	Accumulated depreciation	Net book value
----- Rupees -----			
Leasehold land	54,399,300	12,769,790	41,629,510
Office building	76,781,580	61,425,255	15,356,325
	<u>131,180,880</u>	<u>74,195,045</u>	<u>56,985,835</u>

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

5.1.2 Included in the cost of property and equipment - own use are fully depreciated items which are still in use aggregating to Rs. 322.77 million (June 30, 2025: Rs. 315.17 million).

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

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyers
----- Rupees -----							
Book value not exceeding Rs. 500,000 each							
Furniture, fittings and office equipment	7,178,263	6,521,658	656,605	1,128,347	471,742	Negotiation	Various
Vehicles (various)	9,059,658	5,124,075	3,935,583	11,778,724	7,843,141	Negotiation	Various
Computers and accessories	1,960,570	1,960,570	-	273,278	273,278	Leased	M/s Suzuki South Punjab (Smc-Pvt) Ltd
Machinery workshop	9,107,605	4,693,521	4,414,084	5,878,882	1,464,798	Negotiation	M/s Suzuki South Punjab (Smc-Pvt) Ltd
	27,306,096	18,299,824	9,006,272	19,059,231	10,052,959		
Book value exceeding Rs. 500,000 each							
Vehicle	1,250,000	750,000	500,000	2,333,000	1,833,000	Negotiation	Mr. Muhammad Mohsin Iqbal
Vehicle	1,134,000	571,725	562,275	1,429,746	867,471	Negotiation	Mr. Muhammad Mohsin Iqbal
Vehicle	2,954,861	135,431	2,819,430	2,940,674	121,244	Insurance Claim	M/s EFU General Insurance Company Limited
Machinery workshop	7,004,108	3,624,627	3,379,481	4,521,100	1,141,619	Leased	M/s Suzuki South Punjab (Smc-Pvt) Ltd
	12,342,969	5,081,783	7,261,186	11,224,520	3,963,334		
Total - June 30, 2026	39,649,065	23,381,607	16,267,458	30,283,751	14,016,293		
Total - June 30, 2025	53,673,778	34,086,486	19,587,292	54,992,285	35,404,993		

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

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

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

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

5.2 Right-of-use assets

Description	2026							
	Cost			Accumulated depreciation			Net book value	Number of years of useful life
	As at July 1, 2025	Additions/ (disposal)	As at June 30, 2026	As at July 1, 2025	Charge for the year / (disposal)	As at June 30, 2026	As at June 30, 2026	
	----- Rupees -----							
Premises	235,059,127	203,283,607	438,342,734	125,877,904	52,636,744	178,514,648	259,828,086	3 to 7 years
		-			-			
	235,059,127	203,283,607	438,342,734	125,877,904	52,636,744	178,514,648	259,828,086	
		-			-			
Description	2025							
	Cost			Accumulated depreciation			Net book value	Number of years of useful life
	As at July 1, 2024	Additions/ (disposal)	As at June 30, 2025	As at July 1, 2024	Charge for the year / (disposal)	As at June 30, 2025	As at June 30, 2025	
	----- Rupees -----							
Premises	186,334,240	65,557,456	235,059,127	104,096,864	38,960,763	125,877,904	109,181,223	3 to 10 years
		(16,832,569)			(17,179,723)			
	186,334,240	65,557,456	235,059,127	104,096,864	38,960,763	125,877,904	109,181,223	
		(16,832,569)			(17,179,723)			

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

6 INTANGIBLE ASSETS

	Note	2026	2025
Rupees			
Development cost / CWIP	6.1	50,507,146	12,297,364
Computer software and license	6.2 & 6.3	1,983,038	500,530
		52,490,184	12,797,894

6.1 The Company commenced an in-house IT transformation project in January 2025, following the approval of Board of Directors. As of June 30, 2026, the project remains in the development phase, which includes the system's design, development, and testing, and is progressing in accordance with the approved project timeline. The asset is expected to be available for use upon successful completion of the project. Accordingly, the Company has capitalized development expenditures directly engaged in the development activities.

6.1.1 The breakup of the development expenditures capitalized as at year end is as follows:

	2026	2025
Rupees		
Salaries and benefits	46,459,146	12,297,364
Outsourced application development services	4,048,000	-
	50,507,146	12,297,364

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

6.2 Movement of intangible assets - computer software and license:

Description	2026							
	Cost			Accumulated amortisation			Net book value	Rate of Amortisation
	As at July 1, 2025	Additions	As at June 30, 2026	As at July 1, 2025	Charge for the year	As at June 30, 2026	As at June 30, 2026	
	Rupees							
Computer software and license	94,986,101	1,814,459	96,800,560	94,485,571	331,951	94,817,522	1,983,038	33%
	94,986,101	1,814,459	96,800,560	94,485,571	331,951	94,817,522	1,983,038	

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

6.3 Included in the cost of intangible assets are fully amortised items which are still in use aggregating to Rs. 94.45 million (June 30, 2025: Rs. 92.59 million).

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

7	NET INVESTMENT IN FINANCE LEASE - NON CURRENT	Note	2026	2025
			Rupees	
			9,028,739,505	9,666,715,980
			4,987,531,033	5,075,446,156
		7.1	(4,987,530,533)	(5,075,436,913)
		7.2	9,028,740,005	9,666,725,223
			(1,639,896,033)	(1,709,036,758)
		7.2	7,388,843,972	7,957,688,465
		14	(3,819,253,438)	(4,221,795,165)
			3,569,590,534	3,735,893,300
		36.1	(9,079,118)	(10,187,795)
			3,560,511,416	3,725,705,505

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

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

7.2 Details of investment in finance lease

Less than one year
More than one year but less than two years
More than two years but less than three years
More than three years but less than four years
More than four years but less than five years

2026		
Gross investment in finance lease	Unearned finance income	Present value of investment in finance lease
Rupees		
4,853,249,806	(1,033,996,368)	3,819,253,438
2,780,015,905	(451,680,873)	2,328,335,032
1,164,858,480	(133,468,591)	1,031,389,889
216,738,050	(19,823,592)	196,914,458
13,877,764	(926,609)	12,951,155
<u>9,028,740,005</u>	<u>(1,639,896,033)</u>	<u>7,388,843,972</u>

Less than one year
More than one year but less than two years
More than two years but less than three years
More than three years but less than four years
More than four years but less than five years

2025		
Gross investment in finance lease	Unearned finance income	Present value of investment in finance lease
Rupees		
5,287,986,068	(1,066,190,903)	4,221,795,165
2,775,494,245	(464,164,281)	2,311,329,964
1,273,080,710	(147,391,624)	1,125,689,086
281,342,090	(28,793,143)	252,548,947
48,822,110	(2,496,807)	46,325,303
<u>9,666,725,223</u>	<u>(1,709,036,758)</u>	<u>7,957,688,465</u>

7.3 The Company's implicit rate of return on leases ranges from 14.80% to 34.00% (June 30, 2025: 12.00% to 34.00%) per annum. These are secured against leased assets, security deposits averaging 27.37% (June 30, 2025: 25.88%) of the cost of leased assets and personal guarantees.

7.4 Lease rentals received during the year amounted to Rs. 5,462 million (June 30, 2025: Rs. 6,574 million).

8 LONG-TERM LOANS AND FINANCES

Note	2026	2025
Rupees		

Considered good

Loans to key management personnel, other executives and employees - secured

Key management personnel - related parties

Other executives

Other employees

8.1	31,304,710	22,685,449
	110,239,340	132,528,771
8.2	141,544,050	155,214,220
	44,777,295	54,595,034
8.7	186,321,345	209,809,254

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

	Note	2026	2025
Others - secured			
Vehicle finance	8.3	23,125,383,661	18,885,825,659
Micro finance / small enterprise finance	8.4	872,718	3,091,877
Term finance	8.5	1,786,200,269	1,592,788,918
Musharikah finance	8.6	288,543,672	184,564,164
Agri finance	8.8	16,802,271	85,564,183
		25,217,802,591	20,751,834,801
		25,404,123,936	20,961,644,055
Considered doubtful			
Others - secured			
Vehicle finance	8.3	181,599,140	196,657,266
Micro finance / small enterprise finance	8.4	8,050,146	8,638,147
Term finance	8.5	96,931,408	66,308,522
Musharikah finance	8.6	6,745,192	-
Agri finance	8.8	21,599,044	18,797,085
		314,924,930	290,401,020
Less: expected credit loss / provision on loans and finances	36.2	(29,810,805)	(51,312,831)
		285,114,125	239,088,189
Less: general provision against micro finance	8.9 & 36.2	(4,364)	(15,459)
		25,689,233,697	21,200,716,785
Accrued return / profit on loans and finances		405,505,016	374,426,794
		26,094,738,713	21,575,143,579
Less: current maturity			
Key management personnel, other executives and employees		(40,097,238)	(36,979,380)
Others		(13,036,049,877)	(10,558,570,879)
	14	(13,076,147,115)	(10,595,550,259)
		13,018,591,598	10,979,593,320

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

8.1 Loans to Key Management Personnel - related party

Names	Maximum amount outstanding	Provisions / (write-off)	2026	2025
----- Rupees -----				
Mian Faysal Riaz	1,546,457	-	616,028	1,616,524
Mr. Imtiaz Ahmad Chaudhary	2,860,200	-	2,506,297	61,230
Mr. Waqas Ahmad Khwaja	988,631	-	-	1,061,030
Mr. Adnan Ishaq	2,070,996	-	2,019,395	1,700,084
Ms. Aseya Qasim	3,357,809	-	2,285,268	3,449,281
Mr. Fahad Shahzad Memon	6,173,986	-	5,334,414	6,245,574
Mr. Nadeem Amir Ali	13,762,783	-	12,893,133	-
Mr. Muhammad Aslam	2,975,214	-	2,975,214	2,718,015
Mr. Shahzad Rana Younus	998,719	-	852,083	2,067,505
Mr. Umair Alam	2,125,183	-	1,822,878	2,177,065
Mr. Rashid Ahmed	-	-	-	905,704
Mr. Salman Ali	-	-	-	162,546
Mr. Hamid Muhammad Khan	-	-	-	520,891
		-	31,304,710	22,685,449

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

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

	2026	2025
----- Rupees -----		
Opening balance	155,214,220	144,067,274
Disbursements during the year	29,937,124	21,147,632
Repayments during the year	(43,607,294)	(10,000,686)
Closing balance	141,544,050	155,214,220

8.3 These represent vehicle financing facilities provided to individual and corporate customers on mark-up basis. The mark-up on these finances ranges from 14.64% to 34.00% (June 30, 2025: 15.24% to 35.00%) per annum. These finances are repayable within a period of upto 6 years (June 30, 2025: upto 5 years) and are secured against charge over vehicles and personal guarantees.

8.4 These represent long-term micro finance facilities provided to individuals on mark-up basis. The mark-up on these loans ranges from 30% to 35% (June 30, 2025: 22.00% to 44.80%) per annum. These finances are repayable within a period of 1.25 to 2 years (June 30, 2025: 1.25 to 2 years) and are secured against personal guarantees.

8.5 These represent term finance facilities provided to commercial business customers on mark-up basis. The mark-up on these finances ranges from 18.71% to 19.17% (June 30, 2025: 15.21% to 24.00%) per annum. These finances are repayable within a period of upto 4 years (June 30, 2025: upto 4 years) and are secured against business assets. Additional collateral in form of property mortgage and personal guarantees are also obtained.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

8.6 These represent musharikah finance facilities provided to customers. The profit rate on these finances ranges from 14.68% to 19.50% (June 30, 2025: 16.16% to 19.50%) per annum. The facilities have a repayment term of upto 5 years (June 30, 2025: upto 5 years) and are secured by assets subject to musharikah agreement.

8.7 These represent loans given to staff in accordance with the terms of the Company's HR policy and include house loans which are repayable within a period of 20 years or retirement date, whichever is earlier. House loans are secured against equitable mortgage on the property by deposit of title documents of the property with the Company and carry mark-up rate ranging from 4% to 6.77% (June 30, 2025: 4% to 17.73%) per annum.

Loans (other than house loans) carry mark-up rates ranging from 5% to 23.55% (June 30, 2025: 5.00% to 23.55%) per annum. These are secured against retirement benefits and are repayable within a period of five years.

Maximum amount outstanding at the end of any month during the year against loans to the key management personnel and other executives was Rs. 148.7 million (June 30, 2025: Rs. 162.3 million).

8.8 These represent long-term finance facilities provided to farmers on mark-up basis. The rates of return on these loans range from 21.00% to 35.00% (June 30, 2025: 15.00% to 35.00%) per annum. These loans are repayable within a period of 2 years (June 30, 2025: within a period of 2 years) and are secured against title documents of the immovable properties.

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

	Note	2026	2025
9 INVESTMENT IN SUBSIDIARIES		----- Rupees -----	
Related parties			
- OLP Services Pakistan (Private) Limited - unlisted	9.1	182,430,262	182,430,262
- OLP Modaraba - listed	9.2	139,944,032	139,944,032
		<u>322,374,294</u>	<u>322,374,294</u>

9.1 The Company holds 100% shareholding (4,450,000 shares (June 30, 2025: 4,450,000 shares)) in OLP Services Pakistan (Private) Limited (OSPPL), a management company managing OLP Modaraba.

OSPPL is incorporated in Karachi, Pakistan. The latest available financial statements, which are prepared on a going concern basis for the year ended June 30, 2026, have been audited by Grant Thornton Anjum Rahman, Chartered Accountants.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

- 9.2** The Company holds 10% certificates (4,538,353 certificates (June 30, 2025: 4,538,353 certificates) in OLP Modaraba, which is being managed by OSPPL as the Modaraba management company. Since the Company holds 100% shareholding in the management company as mentioned in note 9.1 above, therefore has substantive decision-making authority over OLP Modaraba's key operating and financial policies. OSPPL is entitled to a management fee (including variable returns). There are no substantive removable rights held by any other single party and the remaining holding is also dispersed and passive in nature due to free float to general public. Accordingly, the investment in OLP Modaraba has been accounted for as an investment in subsidiary in view of the control which the Company exercises through the fully owned management company and an aggregate holding of 20% in the certificates of OLP Modaraba by the Company and OSPPL.

The latest available financial statements, which are prepared on a going concern basis for the year ended June 30, 2026, have been audited by KPMG Taseer Hadi and Co., Chartered Accountants.

	Note	2026	2025
10 INVESTMENT IN ASSOCIATE		----- Rupees -----	
Related party			
Yanal Finance Company	10.1	1,753,135,634	1,775,618,949
OPP (Private) Limited*	10.2	87,754,399	87,754,399
SAMA Finance SAE*	10.3	172,043,037	172,043,037
		<u>2,012,933,070</u>	<u>2,035,416,385</u>
Less: impairment on investments		(259,797,436)	(259,797,436)
		<u>1,753,135,634</u>	<u>1,775,618,949</u>

* Fully provided

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

2026	2025		Note	2026	2025
----- (Number of shares) -----				----- Rupees -----	
		Unquoted			
<u>1,375,000</u>	<u>1,375,000</u>	Yanal Finance Company	10.1.1	<u>1,753,135,634</u>	<u>1,775,618,949</u>

- 10.1.1** The Company holds 2.5% (June 30, 2025: 2.5%) ownership interest in Yanal Finance Company (YFC), which was incorporated in Riyadh, Kingdom of Saudi Arabia. The Company's contractual right to nominate 2 out of 9 directors on YFC board member enables it to participate in and influence its key financial and operational decisions. Moreover, the CEO of the Company is also the MD of YFC. Accordingly, YFC is accounted under equity method of accounting due to the significant influence exercised by the Company. The latest available audited financial statements, which are prepared on a going concern basis, for the year ended December 31, 2025 have been audited by Pricewaterhouse Coopers, Kingdom of Saudi Arabia.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

10.1.2 Summarised unaudited financial statements of associate and subsidiaries are as follows:

	As at June 30			For the year ended June 30			Interest held and relationship
	Total assets	Total liabilities	Net assets	Revenues	Profit	OCI	
2026	----- Rupees -----						
Unlisted							
Yanal Finance Company	121,926,591,758	(52,009,399,762)	69,917,191,996	16,048,760,212	5,164,768,671	9,967,141	2.5% - Associate
2025							
Unlisted							
Yanal Finance Company	137,942,949,879	(65,646,536,708)	72,296,413,171	16,376,391,883	6,505,619,683	(35,311,738)	2.5% - Associate

	Note	2026	2025
Rupees			
Balance at the beginning of the year		1,775,618,949	1,707,416,512
Share of profit for the year	32	129,223,583	154,255,506
Dividend received during the year		(121,431,403)	(121,290,321)
Exchange (loss) / gain arising on translation of a foreign associate		(38,416,023)	36,120,045
Share of other comprehensive income / (loss)		8,140,528	(882,793)
Balance at the end of the year		1,753,135,634	1,775,618,949

10.1.4 The carrying value of investment in associate in foreign currency is SAR 23.7 million (June 30, 2025: SAR 23.5 million).

10.2 The Company holds 45% (June 30, 2025: 45%) ownership interest in OPP (Private) Limited. During 2014, the Board of Directors of the Company approved divestment of the Company's entire investment in OPP. The sales negotiations for disposal of investment in OPP were held with a minority shareholder of OPP and a Share Purchase Agreement (SPA) was signed by all the parties in July 2014. However, the minority shareholder had failed to comply with the terms of the SPA and initiated legal proceedings to restrict the Company from managing the affairs of OPP. The Company has also filed a reference in the Lahore High Court to allow the Company to buy out the minority stakeholder in OPP or to wind up OPP which is pending to date. As the matter is under litigation and due to limited availability of financial information, the investment has been fully impaired.

10.3 The Company holds a 16.87% (June 30, 2025: 23%) ownership interest in SAMA Finance SAE (SAMA). In February 2019, the Board of Directors approved the divestment of this investment. The Company's contractual right to nominate 2 out of 11 directors on SAMA board member enables it to participate in and influence its key financial and operational decisions. Accordingly, SAMA is classified as an investment in associate. The Company engaged in sale negotiation for disposal, signed a Sale Purchase Agreement (SPA) on October 17, 2019. Although the long stop date of the agreement expired in May 2022 without an extension, the Board reaffirmed their intention to sell in April 2023. The investment has been fully impaired due to hampered profits, using the present value valuation method.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

11 LONG-TERM INVESTMENTS

At fair value through other comprehensive income

Ordinary shares - unlisted

Ordinary shares - listed

Note	2026	2025
	Rupees	
11.1	4,102,903	10,931,116
11.2	21,618,930	11,164,079
	<u>25,721,833</u>	<u>22,095,195</u>

11.1 This represents 705,882 (June 30, 2025: 705,882) shares of Al Baraka Bank (Pakistan) Limited having a face value of Rs. 10 per share.

11.2 This represents 507,634 (June 30, 2025: 245,294 having face value of Rs. 10 per share) shares of LSE Capital Limited having a face value of Rs. 5 per share and 1,685,620 (June 30, 2025: 842,810 having face value of Rs. 10 per share) shares of LSE Ventures Limited having a face value of Rs. 5 per share.

12 DEFINED BENEFIT PLAN ASSET - STAFF GRATUITY

12.1 General description

The Company operates a funded gratuity scheme which was established under the provisions of the Trust Deed dated July 01, 2004 for its permanent staff who have completed the minimum qualifying period of three years of service under the scheme. In view of promulgation of Sindh Trust Act, 2020 (the Act), the Company and the trustees of the fund has registered the original trust deed and rules under the Act in September 2022. The funded scheme is administered by the Board of Trustees in accordance with the provisions of the Trust Deed. Contributions therein are made in accordance with actuarial recommendations. The most recent valuation in this regard was carried out as at June 30, 2026 using the Projected Unit Credit Method.

12.2 Principal actuarial assumptions

- Discount rate
- Expected short term salary increase rate
- Expected long term salary increase rate
- Expected rate of return on plan assets
- Average service years

2026	2025
11.75%	12.25%
12.50%	10.00%
11.50%	11.75%
11.69%	16.12%
13.55	13.67

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

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

	Note	2026	2025
		Rupees	
Present value of defined benefit obligation	12.4	338,408,214	313,226,176
Fair value of plan assets	12.4	(393,457,037)	(377,531,754)
		<u>(55,048,823)</u>	<u>(64,305,578)</u>

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

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

		2026		
		Present value of defined benefit obligation	Fair value of plan assets	Net asset
Note		Rupees		
At July 01, 2025		313,226,176	(377,531,754)	(64,305,578)
Current service cost	12.5	23,444,843	-	23,444,843
Interest expense / (income)	12.5	38,424,517	(45,946,976)	(7,522,459)
		375,095,536	(423,478,730)	(48,383,194)
Remeasurements:				
Actuarial loss on plan assets	12.6	-	385,011	385,011
Actuarial loss on obligation	12.6	4,891,147	-	4,891,147
		4,891,147	385,011	5,276,158
		379,986,683	(423,093,719)	(43,107,036)
Contributions made		-	(11,941,787)	(11,941,787)
Benefits paid		(41,578,469)	41,578,469	-
At June 30, 2026		338,408,214	(393,457,037)	(55,048,823)

		2025		
		Present value of defined benefit obligation	Fair value of plan assets	Net asset
		Rupees		
At July 01, 2024		311,039,869	(332,830,350)	(21,790,481)
Current service cost	12.5	23,553,404	-	23,553,404
Interest expense / (income)	12.5	47,405,920	(50,657,520)	(3,251,600)
		381,999,193	(383,487,870)	(1,488,677)
Remeasurements:				
Actuarial gain on plan assets	12.6	-	(13,426,528)	(13,426,528)
Actuarial gain on obligation	12.6	(29,088,569)	-	(29,088,569)
		(29,088,569)	(13,426,528)	(42,515,097)
		352,910,624	(396,914,398)	(44,003,774)
Contributions made		-	(20,301,804)	(20,301,804)
Benefits paid		(39,684,448)	39,684,448	-
At June 30, 2025		313,226,176	(377,531,754)	(64,305,578)

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

	2026	2025
	Rupees	
Current service cost	23,444,843	23,553,404
Interest expense - net	(7,522,459)	(3,251,600)
	15,922,384	20,301,804

For the Year Ended June 30, 2026

Note

12.6.1 Included in actuarial gain on plan assets

Interest income on plan assets

Net return on plan assets over interest income

Gain due to change in experience adjustments

12.8 Plan assets consist of the following:

12.9 Historical results

113 OLP Financial Services Pakistan Limited

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

12.10 Actual return on plan assets during the year amounted to Rs. 45.56 million (June 30, 2025: Rs. 64.08 million).

12.11 Based on the actuarial advice, the Company intends to charge an amount of approximately Rs. 19.09 million in respect of contribution to gratuity fund in the unconsolidated financial statements for the year ending June 30, 2027.

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

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

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

	Defined benefit obligation		
	Change in assumption ----- % -----	Increase in assumption ----- Rupees -----	Decrease in assumption ----- Rupees -----
Discount rate	1.0%	317,362,461	359,237,088
Salary growth rate	1.0%	357,480,616	318,584,313

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

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

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 to Year 10
	----- Rupees -----					
Defined benefit obligation	25,363,578	110,981,665	27,174,004	46,960,502	36,451,687	239,122,786

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

12.15 The weighted average duration of the defined benefit obligation is 6.19 years.

12.16 The information provided in notes 12.1 to 12.15 has been obtained from the details provided by the actuary of the Company.

	Note	2026	2025
13		Rupees	
SHORT-TERM FINANCES			
Considered good - secured			
Micro finance / small enterprise finance	13.1	-	598,612
Agri finance	13.2	-	3,647,953
		-	4,246,565
Considered doubtful - secured			
Micro finance / small enterprise finance	13.1	777,084	790,053
Agri finance	13.2	1,283,335	2,883,331
		2,060,419	3,673,384
Less: expected credit loss / provision on finances	36.2	(1,242,636)	(2,784,911)
		817,783	888,473
Less: general provision against micro finance	8.9 & 36.2	-	(29,931)
		817,783	5,105,107

13.1 These represent short-term micro finance facilities provided to individuals on mark-up basis. The mark-up on these loans 22.00% to 42.00% (June 30, 2025: 22.00% to 42.00%) per annum with maturity of less than a year. These are secured against personal guarantees and are repayable within twelve months.

13.2 These represent short-term finance facilities offered to farmers on mark-up basis. The rate of return on these loans is 17.00% (June 30, 2025: 17.00% to 18.00%) per annum. These are repayable within twelve months and are secured against title documents of the immovable properties.

	Note	2026	2025
14		Rupees	
CURRENT MATURITY OF NON-CURRENT ASSETS			
Current maturity of:			
Net investment in finance lease	7.2	3,819,253,438	4,221,795,165
Expected credit losses / provision against leases	36.1	(293,558,149)	(329,405,364)
		3,525,695,289	3,892,389,801
Long-term loans and finances	8	13,076,147,115	10,595,550,259
Expected credit losses / provision against loans and finances	36.2	(268,840,575)	(269,473,525)
		12,807,306,540	10,326,076,734
		16,333,001,829	14,218,466,535

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

15 SHORT-TERM INVESTMENTS

Note	2026	2025
	Rupees	
15.1	2,862,439,011	2,182,958,179

- 15.1** These include investment amounted to Rs. 444.97 million (June 30, 2025: Rs. 445.70 million) made as required under Regulation 14(4)(g) of the NBFC Regulations to maintain liquidity against certificates of deposit. These are redeemable within a period of 1 to 9 months (June 30, 2025: 1 to 5 months) from the reporting date, carrying yield ranging from 9.93% to 12.39% (June 30, 2025: 11.25% to 11.95%) per annum.

16 ADVANCES AND PREPAYMENTS

Note	2026	2025
	Rupees	
Advances - unsecured	5,415,141	858,868
Prepayments		
Employee insurance	8,084,210	10,419,724
Furnishing allowances	3,817,732	3,873,590
Software maintenance	7,038,049	3,421,497
Rent	1,776,973	2,531,886
Subscription	950,679	1,780,592
Others	1,195,099	1,247,679
	22,862,742	23,274,968
	28,277,883	24,133,836

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

Names	Maximum aggregate amount	2026	2025
		Rupees	
Mr. Imtiaz Ahmad Chaudhary	19,998	-	16,667
Mr. Abid Hussain Awan	103,932	66,180	103,928
Mr. Waqas Ahmed Khwaja	209,332	186,667	-
Mr. Adnan Ishaq	87,497	62,501	87,500
Mr. Fahad Shahzad Memon	75,008	50,012	75,008
Mr. Nadeem Amir Ali	169,997	130,001	-
Mr. Mohammad Aslam	218,746	190,000	64,583
Mr. Mohammad Ikram	64,580	39,584	64,583
Mr. Shahzad Rana Younus	112,497	87,501	112,500
Mr. Rashid Ahmed	-	-	63,750
Mr. Salman Ali	8,332	-	118,732
Mr. Hamid Muhammad Khan	-	-	24,933
		812,446	732,184

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

17	OTHER RECEIVABLES	Note	2026	2025
			Rupees	
	Insurance receivable from lessees		538,599,154	417,675,411
	Due from related parties - net	17.1	2,045,950	12,760,045
	Operating lease receivable		-	2,670,310
	Insurance commission receivable		5,914,609	6,775,358
	Others		24,216,036	14,356,354
	Less: provision against other receivable		(1,697,761)	(4,688,508)
			569,077,988	449,548,970

17.1 Other receivable - Due from related parties

2026				
Name of related party	Gross amount due	Amount due charged off (note 37)	Net amount due	Maximum amount outstanding at any time during the year
Rupees				
ORIX Corporation	-	-	-	71,500
Yanal Finance Company	954,045	-	954,045	3,099,750
OLP Services Pakistan (Private) Limited	-	-	-	11,127,827
OLP Modaraba	1,091,905	-	1,091,905	2,443,501
	2,045,950	-	2,045,950	
2025				
Name of related party	Gross amount due	Amount due charged off (note 37)	Net amount due	Maximum amount outstanding at any time during the year
Rupees				
ORIX Corporation	52,422	-	52,422	2,848,345
Yanal Finance Company	2,094,320	-	2,094,320	5,141,955
OLP Services Pakistan (Private) Limited	107,310,054	96,696,751	10,613,303	107,678,152
OLP Modaraba	-	-	-	-
	109,456,796	96,696,751	12,760,045	

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

17.2 Other receivable - Due from related parties

2026				
Name of related party	Past due 0 - 90 days	Past due 91 - 365 days	Past due more than 365 days	Gross amount due
Rupees				
ORIX Corporation	-	-	-	-
Yanal Finance Company	954,045	-	-	954,045
OLP Services Pakistan (Private) Limited	-	-	-	-
OLP Modaraba	1,091,905	-	-	1,091,905
	<u>2,045,950</u>	<u>-</u>	<u>-</u>	<u>2,045,950</u>

2025				
Name of related party	Past due 0 - 90 days	Past due 91 - 365 days	Past due more than 365 days	Gross amount due
Rupees				
ORIX Corporation	52,422	-	-	52,422
Yanal Finance Company	2,094,320	-	-	2,094,320
OLP Services Pakistan (Private) Limited	6,083,954	18,127,839	83,098,261	107,310,054
OLP Modaraba	-	-	-	-
	<u>8,230,696</u>	<u>18,127,839</u>	<u>83,098,261</u>	<u>109,456,796</u>

18 CASH AND BANK BALANCES

Note	2026	2025
Rupees		
Cash in hand	1,205,000	1,320,000
Balances with banks in:		
- Current accounts	69,719,853	122,995,447
- Deposit accounts	137,198,692	153,914,243
	206,918,545	276,909,690
Less: expected credit loss on bank balances	(13,284)	(16,025)
	<u>208,110,261</u>	<u>278,213,665</u>

18.1 These carry profit rates ranging from 2.50% to 10.00% per annum (June 30, 2025: 4.00% to 9.50% per annum).

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

19	ASSETS CLASSIFIED AS HELD FOR SALE	Note	2026	2025
			----- Rupees -----	
	Stock Exchange room	19.1	4,700,000	4,700,000
	Reposessed assets		-	250,001
			4,700,000	4,950,001

19.1 During the year, the Company has received advance against sale of the stock exchange room from the successful bidder. The potential sale transaction will be completed in the forthcoming year.

20 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2026	2025		2026	2025
----- (Number of shares) -----			----- Rupees -----	
		Ordinary shares of Rs. 10 each		
106,485,517	106,485,517	Fully paid in cash	1,064,855,170	1,064,855,170
66,739,592	66,739,592	Fully paid bonus shares	667,395,920	667,395,920
2,182,538	2,182,538	Fully paid shares against amalgamation	21,825,380	21,825,380
175,407,647	175,407,647		1,754,076,470	1,754,076,470

20.1 As at June 30, 2026, ORIX Corporation, Japan and its nominees held 86,960,515 (2025: 86,960,515) ordinary shares equivalent to 49.58% (June 30, 2025: 49.58%) of the total shareholding.

20.2 As per regulation 16 of Non-Banking Finance Companies and Notified Entities Regulations, 2008, an NBFC is required to transfer 20% of its profit after tax to a statutory reserve until the amount of the reserves equals the paid up capital. Thereafter, 5% of the profit after tax is required to be transferred to this reserves. Accordingly, the Company has transferred 5% of its profit after tax to the statutory reserves for the year ended June 30, 2026 and June 30, 2025.

21	SURPLUS ON REVALUATION OF LEASEHOLD LAND AND OFFICE BUILDING - NET OF TAX	Note	2026	2025
			----- Rupees -----	
	Opening balance		904,516,237	934,245,613
	Revaluation surplus arising during the year		230,070,404	-
	Adjustment in respect of incremental depreciation transferred to unappropriated profit		(29,729,376)	(29,729,376)
			1,104,857,265	904,516,237
	Opening balance of deferred tax liability		(29,953,998)	(35,938,866)
	Deferred tax liability on surplus arising during the year on revaluation of office building		(33,126,289)	-
	Adjustment in respect of incremental depreciation transferred to unappropriated profit		3,755,545	5,984,868
		24	(59,324,742)	(29,953,998)
			1,045,532,523	874,562,239

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

21.1 Details of valuation report are included in note 5.1.1.

22 LONG-TERM FINANCES

Note	2026	2025
	----- Rupees -----	
22.1	19,826,535,079	15,497,222,215
22.2	373,268,127	1,121,664,975
	147,436,645	140,271,135
	20,347,239,851	16,759,158,325
29	(7,642,089,945)	(5,716,660,024)
	12,705,149,906	11,042,498,301

22.1 These finances have been obtained for financing of operations and are secured by hypothecation of leased assets, related lease receivables and financing receivables. The mark-up rates thereon range from 10.90% to 12.94% (June 30, 2025: 11.47% to 12.81%) per annum. These finances are repayable within a period of 36 to 60 months (June 30, 2025: 36 to 60 months).

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

23 LONG-TERM CERTIFICATES OF DEPOSIT

Note	2026	2025
	Rupees	
23.1	672,861,663	894,897,371
	204,134,045	173,238,879
	876,995,708	1,068,136,250
29	(786,457,376)	(423,632,778)
	90,538,332	644,503,472

23.1 These certificates of deposit have been obtained for financing the operations of the Company and issued at rate of return ranging from 6.73% to 18.25% (June 30, 2025: 6.73% to 18.25%) per annum and issued for terms ranging from 3 years to 5 years (June 30, 2025: 3 years to 10 years).

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

24 DEFERRED TAXATION

Note	As at June 30, 2025	Recognised in profit or loss	Recognised in OCI	As at June 30, 2026
Rupees				
Taxable temporary differences arising on:				
- Accelerated tax depreciation	610,303,109	100,898,468	-	711,201,577
- Surplus on revaluation of office building	29,953,998	(3,755,545)	33,126,289	59,324,742
- Unamortised transaction costs relating to long term finances and loans	1,300,660	(659,867)	-	640,793
- Investments	647,946,214	(10,880,130)	(30,754,640)	606,311,444
	1,289,503,981	85,602,926	2,371,649	1,377,478,556
Deductible temporary differences arising on:				
- Lease liability against right-of-use assets	(51,845,742)	(53,716,131)	-	(105,561,873)
- Provision against leases, loans and finances	(472,193,244)	56,482,651	-	(415,710,593)
	(524,038,986)	2,766,520	-	(521,272,466)
	765,464,995	88,369,446	2,371,649	856,206,090

25 LEASE LIABILITIES

	2026	2025
Rupees		
Lease liabilities against right-of-use assets	249,360,611	89,749,861

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

	2026			2025		
	Minimum lease Payments	Financial charges	Principal outstanding	Minimum lease Payments	Financial charges	Principal outstanding
Rupees						
Not later than one year	72,838,155	36,896,407	35,941,748	62,873,078	19,730,005	43,143,073
Later than one year and not later than five years	200,664,121	106,006,179	94,657,942	99,786,176	36,481,212	63,304,964
Later than five years	202,015,870	47,313,201	154,702,669	33,989,579	7,544,682	26,444,897
	402,679,991	153,319,380	249,360,611	133,775,755	44,025,894	89,749,861
	475,518,146	190,215,787	285,302,359	196,648,833	63,755,899	132,892,934

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

26	ACCRUED AND OTHER LIABILITIES	Note	2026	2025
			Rupees	
	Bills payable		1,144,740,630	444,080,637
	Accrued liabilities		221,428,719	235,671,324
	Other liabilities			
	Advances from customers against finance lease and Ijarah finance		5,248,727	8,995,607
	Sales tax payable		4,995,811	4,491,496
	Insurance premium payable		838,446,353	654,277,352
	Provision for Provincial Workers' Welfare Fund		183,326,373	139,325,206
	Payable to minority shareholders of Standard Chartered Leasing Limited		14,644,951	14,694,152
	Others		60,868,898	44,692,995
			1,107,531,113	866,476,808
			2,473,700,462	1,546,228,769

27 SHORT-TERM BORROWINGS

From banking companies - secured

Running finance arrangements	27.1	1,625,510,366	1,872,332,080
Accrued interest / mark-up on short term borrowings		48,098,455	45,111,690
		1,673,608,821	1,917,443,770

27.1 These represent short-term running finance facilities for financing of operations with limits aggregating to Rs. 3,750 million as at June 30, 2026 (June 30, 2025: Rs. 3,050 million). These facilities have been obtained for financing of day to day operations. The rate of mark-up ranges from 11.89% to 12.78% (June 30, 2025: 11.83% to 13.18%) per annum on a daily product basis. These are secured by hypothecation of leased assets, related lease receivables and financing receivables.

28 SHORT-TERM CERTIFICATES OF DEPOSIT

Unsecured

28	Note	2026	2025
		Rupees	
	Short-term certificates of deposit	2,251,776,630	2,015,104,976
	Payable to holders of matured certificates of deposits	41,819,786	61,353,592
	Accrued profit on short-term certificates of deposits	36,186,904	29,692,019
		2,329,783,320	2,106,150,587

28.1 These represent short-term certificates of deposit obtained for financing of operations, issued at rate of profit ranging from 9.00% to 12.40% (June 30, 2025: 8.00% to 18.10%) per annum, for a term upto 12 months (June 30, 2025: 12 months).

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

29	CURRENT MATURITY OF NON-CURRENT LIABILITIES	Note	2026	2025
			Rupees	
	Current maturity of:			
	Long-term finances	22	7,642,089,945	5,716,660,024
	Lease liability against right-of-use assets	25.1	35,941,748	43,143,073
	Long-term certificates of deposit	23	786,457,376	423,632,778
			<u>8,464,489,069</u>	<u>6,183,435,875</u>

30 CONTINGENCIES AND COMMITMENTS

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

Subsequently, the department filed a reference application before the Sindh High Court on May 14, 2024. The reference application was disposed of by the Sindh High Court on March 30, 2026, being time-barred. Thereafter, the department preferred an appeal before the Supreme Court of Pakistan, which is currently pending adjudication.

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

30.2 In the year 2017, the Deputy Commissioner Inland Revenue (DCIR) amended the orders for the tax years 2011 and 2014 creating an aggregate demand of Rs 126.2 million mainly on account of difference in determination of minimum tax liability under section 113 of the Ordinance, disallowance of tax loss on lease terminations and certain other matters. The Company contested the matters in appeals before the CIR-A, which were maintained. The Company then filed appeal before the ATIR, which was disposed of vide combined order dated January 18, 2024 wherein most of the issues have been decided in the Company's favor. However, the matter of tax loss on pre-mature termination of lease was remanded back to DCIR with directions. Subsequently, the department filed a reference application before the Sindh High Court (SHC) on May 07, 2024, which is currently pending adjudication.

Moreover, ATIR vide order dated January 21, 2026 rejected the appeal filed by the department for tax year 2011 on the issue of allocation of expenses.

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

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

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

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

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

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

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

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

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

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

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

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

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

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

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

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

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

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

- 30.9** In October 2022, the Deputy Commissioner Inland Revenue (DCIR) issued notices under Section 176 of the Ordinance required the Company to submit reconciliation of withholding tax deductions with payments reflected in the audited financial statements for the tax year 2017 which was duly responded. Subsequently, the DCIR, without considering the submissions, vide order dated June 26, 2023 framed under Section 161(1) of the Ordinance concluded the proceedings raised demand of Rs. 482 million for alleged short deduction or non-payment of withholding taxes. The Company filed an appeal before the CIR-A who vide order dated September 6, 2023 disposed of the appeal remanding the case back to the DCIR with directions to scrutinize the submitted documents.

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

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

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

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

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

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

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

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

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

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

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

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

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

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

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30.15 Commitments relating to capital expenditure at the reporting date amounted to Rs. 4.48 Million (2025: Rs. NIL).

	Note	2026	2025
31 OTHER INCOME - NET		Rupees	
Income from financial assets			
Return on investments and deposits		1,030,568	9,231,460
Interest income on government securities		215,231,175	428,959,794
Gain on sale of investments - net		29,555,000	23,819,026
Dividend income		12,312,223	14,397,015
Ijarah finance income		-	669,138
Unrealised gain on remeasurement of financial assets at fair value through profit or loss - net		(3,938,493)	1,547,638
		254,190,473	478,624,071
Income from other than financial assets			
Fees and other income		409,899,718	235,308,113
Documentation fee		57,738,799	40,179,970
Gain on disposal of property and equipment	5.1.3	14,016,293	35,404,993
Gain on sale of lease and finance assets		111,338,377	127,386,736
Exchange gain / (loss) - net		(137,993)	120,513
		592,855,194	438,400,325
		847,045,667	917,024,396

32 SHARE OF PROFIT FROM ASSOCIATE - NET OF TAX

Name of associate	2026		2025	
	Associate's profit after tax	Share of associate's profit after tax	Associate's profit after tax	Share of associate's profit after tax
Un-quoted - related party	Rupees			
Yanal Finance Company	5,164,768,671	129,223,583	6,505,619,683	154,255,506

	2026	2025
33 FINANCE COST	Rupees	
Interest / mark-up / profit on:		
- Long-term finances	2,149,458,892	2,166,521,901
- Short-term borrowings	153,928,980	284,787,224
- Certificates of deposit	352,134,590	672,403,923
- Lease liability against right-of-use assets	27,815,051	22,462,350
Bank charges and commission	12,001,446	12,001,226
	2,695,338,959	3,158,176,624

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

34 ADMINISTRATIVE AND GENERAL EXPENSES	Note	2026	2025
----- Rupees -----			
Salaries, allowances, welfare and training	34.1	1,199,106,782	1,202,101,892
Rent and utilities	34.2	57,016,575	73,095,949
Travelling		11,908,173	9,344,473
Vehicle running and maintenance		79,938,186	62,532,280
Insurance expense	34.3	7,447,283	7,874,140
Legal and professional charges		30,148,153	36,775,661
Communication		24,579,442	23,810,668
Subscriptions		10,806,602	12,934,137
Auditors' remuneration	34.4	13,346,586	7,830,000
Advertising		4,139,408	8,000,004
Printing and stationery		14,609,998	13,856,882
Depreciation	5.1 & 5.2	145,826,944	125,058,355
Amortisation	6.2	331,951	717,992
Office repairs and maintenance of equipment		67,647,745	62,202,062
Donations	34.5	9,850,000	12,680,000
Office general expenses		16,886,222	16,409,666
		<u>1,693,590,050</u>	<u>1,675,224,161</u>

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

Defined benefit plan - gratuity fund	12.5	15,922,384	20,301,804
Defined contribution plan - provident fund		33,714,365	32,935,277
Charge against compensated absences		808,865	640,728
		<u>50,445,614</u>	<u>53,877,809</u>

34.2 This includes rent expenses of Rs. 16.74 million (June 30, 2025: Rs. 20.43 million) against short term leases and leases of low value assets.

34.3 As per Rule 9 of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, NBFCs require to obtain insurance coverage against any losses that may be incurred as a result of employee's fraud or gross negligence. Accordingly, the company has obtained insurance coverage for the year ended June 30, 2026 and June 30, 2025.

34.4 Auditors' remuneration

Audit services

Annual audit fee	6,026,000	5,240,000
Half yearly review fee	920,000	800,000
Out of pocket expenses	694,600	604,000
Sales tax on audit fee and other services	611,248	531,520
	<u>8,251,848</u>	<u>7,175,520</u>

Non-audit services

Other services and certifications	5,094,738	654,480
	<u>13,346,586</u>	<u>7,830,000</u>

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

34.5 Donations above 10% of total donation or Rs. 1,000,000 whichever is higher

	Note	2026	2025
----- Rupees -----			
The Layton Rahmatullah Benevolent Trust (LRBT)	34.5.1	2,500,000	1,500,000
Al-Khidmat Welfare Society		2,500,000	-
IBP School Of Special Education		1,100,000	1,000,000
Shaukat Khanum Memorial Trust		1,000,000	1,000,000

34.5.1 The Chief Executive Officer of the Company (Mr. Shaheen Amin) is a Trustee of LRBT.

35 DIRECT COST

	2026	2025
----- Rupees -----		
Court fee, stamp duty and others	14,219,003	15,177,538
Operating lease and Ijarah finance		
Maintenance and insurance cost	23,562,175	18,471,727
Depreciation - Ijarah assets	-	522,540
	23,562,175	18,994,267
	37,781,178	34,171,805

36 EXPECTED CREDIT LOSS / PROVISION AGAINST LEASES, LOANS AND FINANCES - NET

	2026				
	Finance lease (note 36.1)	Loans and Finances (note 36.2)	Sub-total	Operating lease, other receivables and bank balances (note 36.3)	Total
----- Rupees -----					
Balance at the beginning of the year	339,593,159	323,616,657	663,209,816	4,704,533	667,914,349
Provision charge during the year	49,474,362	139,565,277	189,039,639	57,730	189,097,369
Reversal made during the year	(57,051,267)	(146,962,252)	(204,013,519)	(3,051,218)	(207,064,737)
	(7,576,905)	(7,396,975)	(14,973,880)	(2,993,488)	(17,967,368)
Write-offs	(29,378,987)	(16,321,302)	(45,700,289)	-	(45,700,289)
Balance at the end of the year	302,637,267	299,898,380	602,535,647	1,711,045	604,246,692

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

	2025				
	Finance lease (note 36.1)	Loans and Finances (note 36.2)	Sub-total	Operating lease, other receivables and bank balances (note 36.3)	Total
	Rupees				
Balance at the beginning of the year	580,287,914	225,565,737	805,853,651	4,469,209	810,322,860
Provision charge during the year	28,197,296	174,441,125	202,638,421	319,924	202,958,345
Reversal made during the year	(268,892,051)	(76,390,205)	(345,282,256)	(84,600)	(345,366,856)
	(240,694,755)	98,050,920	(142,643,835)	235,324	(142,408,511)
Write-offs	-	-	-	-	-
Balance at the end of the year	339,593,159	323,616,657	663,209,816	4,704,533	667,914,349

	Note	2026	2025
		Rupees	
36.1 Expected credit loss / provision against leases			
Long term portion of finance leases	7	9,079,118	10,187,795
Current portion of finance leases	14	293,558,149	329,405,364
		302,637,267	339,593,159

36.2 Expected credit loss / provision against loans and finances

Long term portion of long-term loans and finances	8	29,815,169	51,328,290
Current portion of long-term loans and finances	14	268,840,575	269,473,525
Short-term finances	13	1,242,636	2,814,842
		299,898,380	323,616,657

36.2.1 Loans and finances - particulars of expected credit loss / provision against loans and finances

	2026				
	Expected Credit Loss			General	Total
	Stage 1	Stage 2	Stage 3		
	Rupees				
Balance at the beginning of the year	13,179,537	84,205,759	226,185,971	45,390	323,616,657
Charge on new disbursements	15,292,768	4,098,632	-	-	19,391,400
Additional charge	1,950	7,531,161	80,321,616	-	87,854,727
Loans and finances derecognised or repaid / reversal	(12,878,963)	(19,781,643)	(75,641,368)	(41,026)	(108,343,000)
Transfer to stage 1	11,326,314	(7,882,221)	(3,444,093)	-	-
Transfer to stage 2	(2,080,879)	2,487,067	(406,188)	-	-
Transfer to stage 3	(226,483)	(27,480,097)	27,706,580	-	-
Net changes in contract risk	(135,760)	(2,256,952)	(3,907,390)	-	(6,300,102)
	11,298,947	(43,284,053)	24,629,157	(41,026)	(7,396,975)
Write-offs	-	-	(16,321,302)	-	(16,321,302)
Balance at the end of the year	24,478,484	40,921,706	234,493,826	4,364	299,898,380

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

	2025				
	Expected Credit Loss			General	Total
	Stage 1	Stage 2	Stage 3		
	Rupees				
Balance at the beginning of the year	25,287,548	31,113,462	167,903,565	1,261,162	225,565,737
Charge on new disbursements	7,882,619	13,934,238	3,068,471	-	24,885,328
Additional charge	(2,664)	29,551,012	80,645,564	-	110,193,912
Loans and finances derecognised or repaid / reversal	(4,364,327)	(10,940,480)	(12,764,897)	(1,215,772)	(29,285,476)
Transfer to stage 1	428,587	(428,587)	-	-	-
Transfer to stage 2	(2,666,091)	11,225,693	(8,559,602)	-	-
Transfer to stage 3	(174,957)	(454,833)	629,790	-	-
Net changes in contract risk	(13,211,178)	10,205,254	(4,736,920)	-	(7,742,844)
	(12,108,011)	53,092,297	58,282,406	(1,215,772)	98,050,920
Write-offs	-	-	-	-	-
Balance at the end of the year	13,179,537	84,205,759	226,185,971	45,390	323,616,657

36.2.2 Loans and finances - category of classification

	2026		2025	
	Exposure	Provision	Exposure	Provision
	Rupees			
Stage 1	23,545,707,515	24,478,484	19,288,113,452	13,179,537
Stage 2	2,002,053,825	40,921,706	1,985,714,400	84,205,759
Stage 3	578,852,961	234,493,826	360,563,966	226,185,971
General Provision	-	4,364	-	45,390
	26,126,614,301	299,898,380	21,634,391,818	323,616,657

36.3 Provision against operating lease, other receivables and bank balances

	Note	2026	2025
		Rupees	
Other receivables	17	1,697,761	4,688,508
Bank balances	18	13,284	16,025
		1,711,045	4,704,533

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

37 OTHER PROVISIONS / WRITE OFFS - NET

Operating lease, other receivables and bank balances

(Reversal of provision) / provision against

operating lease receivables

Expected credit loss on bank balances

Provision against other receivables

Others

Impairment against associate / assets held for sale

Charge-off against receivables from

OLP Services Pakistan (Private) Limited

Provision for provincial Workers' Welfare Fund

Note	2026	2025
	Rupees	
	(2,670,310)	(52,735)
	(2,741)	16,025
	(320,437)	272,034
	(2,993,488)	235,324
19	250,001	87,754,399
	-	96,696,751
	44,001,167	41,690,086
	41,257,680	226,376,560

38 REMUNERATION OF CHIEF EXECUTIVE, EXECUTIVE DIRECTOR, DIRECTORS AND EXECUTIVES

38.1 The aggregate amount charged in the unconsolidated financial statements for the year in respect of the remuneration and benefits to the Chief Executive, Executive Directors and executives are as follows:

	2026		
	Chief Executive	Executives	Total
	Rupees		
Managerial remuneration	56,671,996	229,827,279	286,499,275
Bonus	16,100,000	81,431,368	97,531,368
House rent and utilities	20,607,996	83,573,554	104,181,550
Other perquisites	-	134,465,620	134,465,620
Retirement benefits	4,650,743	28,346,457	32,997,200
	98,030,735	557,644,278	655,675,013
Number of persons	1	89	90

	2025		
	Chief Executive	Executives	Total
	Rupees		
Managerial remuneration	52,976,000	222,972,820	275,948,820
Bonus	18,326,832	82,603,863	100,930,695
House rent and utilities	19,263,996	81,080,992	100,344,988
Other perquisites	-	135,478,782	135,478,782
Retirement benefits	7,171,702	26,383,370	33,555,072
	97,738,530	548,519,827	646,258,357
Number of persons	1	87	88

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

- 38.2** Executives denote employees, other than the Chief Executive and Executive Directors, whose basic salary exceeds twelve hundred thousand rupees in a financial year.
- 38.3** The Chief Executive Officer and certain executives are also provided with Company maintained cars and other benefits in accordance with their entitlement as per Company's HR policy.
- 38.4** The aggregate amount charged in these unconsolidated financial statements for meeting fees and other meeting expenses paid to 2 non-executive independent directors and 2 non-executive director is as follows:

	Note	2026	2025
Directors		----- Rupees -----	
Mr. Ramon Alfrey		4,550,000	5,250,000
Mr. Rashid Ahmed Jafer		4,200,000	4,900,000
Mr. Anwar Mansoor Khan		2,450,000	2,450,000
Mr. Khalid Aziz Mirza		3,242,822	4,552,147
		<u>14,442,822</u>	<u>17,152,147</u>

39 TAXATION

Current	39.1	713,958,841	614,746,301
Prior		3,389,317	(2,486,500)
Deferred	24	88,369,446	154,300,698
		<u>805,717,604</u>	<u>766,560,499</u>

- 39.1** This includes super tax of Rs 197 million (June 30, 2025: Rs 161 million) recognised under section 4C of Income Tax Ordinance, 2001.

39.2 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:

	2026	2025
	----- Rupees -----	
Current tax liability as per applicable tax laws	739,111,584	786,913,599
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(717,348,158)	(766,560,499)
Portion of current tax liability as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(21,763,426)	(20,353,100)
Difference	<u>-</u>	<u>-</u>

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

39.3 Effective tax rate reconciliation

39.3.1 Numerical reconciliation between the average tax rate and the applicable tax rate for the year ended June 30, 2026 is as follows:

	2026	2025
	----- Rupees -----	
Profit before income tax and levy	2,161,196,493	2,012,384,635
Tax at enacted rate of 39%	842,866,632	784,830,008
Tax effect of income subject to levy - final tax regime	(23,487,137)	(52,918,061)
Impact of group taxation	2,474,709	30,887,532
Tax effect of rebates / credits	(517,938)	(9,741,716)
Prior year	3,389,317	(2,486,500)
Permanent differences	(21,276,699)	22,513,198
Effect of change in tax rate	(4,490,502)	-
Others	6,759,222	(6,523,962)
	805,717,604	766,560,499

39.4 Current status of pending tax assessments

Tax Year 1999 to 2000

In the assessment year 1999-2000 the Officer Inland Revenue (OIR) had revised the income tax assessment order of the Company under Section 221 of the Ordinance. The Company had preferred an appeal against the order of the OIR before the Commissioner Inland Revenue [CIR(A)] who confirmed the treatment of the OIR. The Company then filed an appeal before the Appellate Tribunal Inland Revenue (ATIR). The ATIR while deciding the appeal filed by the Company, had remanded back the appellate order dated December 12, 2005 to the CIR(A) to pass speaking order after considering all the relevant facts of the case. The case is still pending adjudication, however, as a matter of prudence, the Company has made adequate provision in respect of the disallowances.

Tax Year 2010 to 2025

Under Section 114 of the Income Tax Ordinance 2001, the Company had filed the returns of income for tax years 2010 to 2025. The said returns were taken to be assessment orders, passed by the Commissioner Inland Revenue on the day the said returns were filed other than tax year 2010, 2011, 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021.

Tax Year 2010, 2011, 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021

Details of the assessment made by the Additional Commissioner Inland Revenue / Deputy Commissioner Inland Revenue are provided in notes 30.1, 30.2, 30.3, 30.4, 30.5, 30.6, 30.7, 30.8, 30.9 and 30.10.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

40	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	Note	2026	2025
----- Rupees -----				
	Profit before income tax		2,139,433,067	1,992,031,535
	Adjustments for			
	Depreciation	5.1 & 5.2	145,826,944	125,580,895
	Amortisation	6.2	331,951	717,992
	Levy - final taxes		21,763,426	20,353,100
	Reversal of expected credit loss / provision			
	against leases, loans and finances - net	36	(14,973,880)	(142,643,835)
	Impairment on assets classified as 'held for sale'	37	250,001	87,754,399
	Charge-off against receivables from			
	OLP Services Pakistan (Private) Limited	37	-	96,696,751
	Provision for provincial Workers Welfare Fund	37	44,001,167	41,690,086
	Provision / (reversal of provision) against other receivables	37	(2,993,488)	235,324
	Gain on sale of investments - net	31	(29,555,000)	(23,819,026)
	Share of profit from associate	32	(129,223,583)	(154,255,506)
	Exchange gain / (loss) - net	31	137,993	(120,513)
	Charge for defined benefit plan - gratuity fund	34.1	15,922,384	20,301,804
	Unrealised gain / (loss) on remeasurement of financial			
	assets at fair value through profit or loss - net	31	3,938,493	(1,547,638)
	Finance cost including bank charges	33	2,343,204,369	2,485,772,701
	Profit on certificates of deposit	33	352,134,590	672,403,923
	Dividend income	31	(12,312,223)	(14,397,015)
	Return on investments and deposits	31	(1,030,568)	(9,231,460)
	Interest income on government securities	31	(215,231,175)	(428,959,794)
	Gain on disposal of property and equipment	31	(14,016,293)	(35,404,993)
			2,508,175,108	2,741,127,195
			4,647,608,175	4,733,158,730
41	CASH AND CASH EQUIVALENTS			
	Cash at bank	18	206,918,545	276,909,690
	Cash in hand	18	1,205,000	1,320,000
	Short-term running finance facilities	27	(1,625,510,366)	(1,872,332,080)
			(1,417,386,821)	(1,594,102,390)

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

41.1 Reconciliation of movements of liabilities to cash flows arising from financing activities

2026							
	Certificates of deposit	Long term finances	Unclaimed dividend / unpaid dividend	Lease liability against right of use asset	Share capital	Share premium	Total
Rupees							
Balance as at July 01, 2025	2,971,355,939	16,618,887,190	36,662,289	132,892,934	1,754,076,470	1,501,683,073	23,015,557,895
Changes from financing cash flows							
Repayment	(761,075,634)	(6,519,083,984)	-	(78,689,233)	-	-	(7,358,848,851)
New addition	775,611,580	10,100,000,000	-	-	-	-	10,875,611,580
Dividend paid	-	-	(961,875,973)	-	-	-	(961,875,973)
Total changes from financing activities	14,535,946	3,580,916,016	(961,875,973)	(78,689,233)	-	-	2,554,886,756
Other changes							
Additions and others	(19,433,806)	-	-	231,098,658	-	-	211,664,852
Finance cost charged	-	-	-	-	-	-	-
Dividend declared	-	-	964,742,059	-	-	-	964,742,059
Total other changes	(19,433,806)	-	964,742,059	231,098,658	-	-	1,176,406,911
Balance as at June 30, 2026	2,966,458,079	20,199,803,206	39,528,375	285,302,359	1,754,076,470	1,501,683,073	26,746,851,562

2025							
	Certificates of deposit	Long term finances	Unclaimed dividend / unpaid dividend	Lease liability against right of use asset	Share capital	Share premium	Total
Rupees							
Balance as at July 01, 2024	5,336,978,781	11,251,930,190	35,598,795	106,100,842	1,754,076,470	1,501,683,073	19,986,368,151
Changes from financing cash flows							
Repayment	(2,676,060,736)	(4,583,043,000)	-	(61,227,714)	-	-	(7,320,331,450)
New addition	310,437,894	9,950,000,000	-	-	-	-	10,260,437,894
Dividend paid	-	-	(875,974,741)	-	-	-	(875,974,741)
Total changes from financing activities	(2,365,622,842)	5,366,957,000	(875,974,741)	(61,227,714)	-	-	2,064,131,703
Other changes							
Additions and others	-	-	-	88,019,806	-	-	88,019,806
Finance cost charged	-	-	-	-	-	-	-
Dividend declared	-	-	877,038,235	-	-	-	877,038,235
Total other changes	-	-	877,038,235	88,019,806	-	-	965,058,041
Balance as at June 30, 2025	2,971,355,939	16,618,887,190	36,662,289	132,892,934	1,754,076,470	1,501,683,073	23,015,557,895

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

42 SEGMENT INFORMATION

The Company has two primary reporting segments namely, Finance lease and Finances & loans, based on the nature of business and the related risks and returns associated with these segments. The finance lease operations are primarily for long-term leases of movable assets to corporate entities and individuals. Finances and loans are primarily extended to corporate entities and individuals mainly for purchase of saloon vehicles. Other operations, which do not fall into the above segment categories and are not deemed by the management to be sufficiently significant to disclose as separate items, are reported under 'Investment in subsidiaries, associates, and others'.

42.1 Segment analysis is given below:

	2026			
	Finance lease	Loans and Finances	Others	Total
	Rupees			
Segment revenues	1,582,577,425	4,456,574,633	575,038,422	6,614,190,480
Finance cost	(555,578,433)	(1,752,633,290)	(387,127,236)	(2,695,338,959)
Administrative and general expenses	(404,849,696)	(1,277,142,907)	(11,597,447)	(1,693,590,050)
Direct cost	(4,535,896)	(29,991,920)	(3,253,362)	(37,781,178)
(Reversal of provision) / provision - net	7,576,905	7,396,975	2,743,487	17,717,367
Segment results	625,190,305	1,404,203,491	175,803,864	2,205,197,660
Provision for provincial Workers' Welfare Fund				(44,001,167)
Provision for taxation				(827,481,030)
Profit for the year				1,333,715,463
Other information				
Segment assets	7,086,206,744	24,939,600,696	5,855,485,997	37,881,293,437
Unallocated assets				2,565,730,761
Total assets				40,447,024,198
Segment liabilities	47,859,713	273,550,792	-	321,410,505
Unallocated liabilities				28,663,418,954
Total liabilities				28,984,829,459
Capital expenditure	-	-	-	-
Depreciation	-	-	-	-
Unallocated				
Capital expenditure - property and equipment for own use				30,343,337
Additions made to intangible assets				40,024,241
Unallocated depreciation and amortisation				146,158,895

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

	2025			
	Finance lease	Loans and Finances	Others	Total
	Rupees			
Segment revenues	1,971,192,464	4,231,663,593	760,833,893	6,963,689,950
Finance cost	(773,515,171)	(1,792,275,629)	(592,385,824)	(3,158,176,624)
Administrative and general expenses	(501,557,709)	(1,162,135,781)	(11,530,671)	(1,675,224,161)
Direct cost	(5,958,956)	(26,572,988)	(1,639,861)	(34,171,805)
(Reversal of provision) / provision - net	240,694,755	(98,050,920)	(184,686,474)	(42,042,639)
Segment results	<u>930,855,383</u>	<u>1,152,628,275</u>	<u>(29,408,937)</u>	<u>2,054,074,721</u>
Provision for provincial Workers' Welfare Fund				(41,690,086)
Provision for taxation				(786,913,599)
Profit for the year				<u>1,225,471,036</u>
Other information				
Segment assets	<u>7,618,345,307</u>	<u>20,541,974,949</u>	<u>5,076,546,829</u>	<u>33,236,867,085</u>
Unallocated assets				<u>2,179,692,645</u>
Total assets				<u>35,416,559,730</u>
Segment liabilities	<u>46,709,812</u>	<u>257,933,113</u>	<u>1,861,153</u>	<u>306,504,078</u>
Unallocated liabilities				<u>24,212,608,057</u>
Total liabilities				<u>24,519,112,135</u>
Capital expenditure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation	<u>-</u>	<u>-</u>	<u>522,540</u>	<u>522,540</u>
Unallocated				
Capital expenditure - property and equipment for own use				<u>156,087,808</u>
Additions made to intangible assets				<u>538,690</u>
Unallocated depreciation and amortisation				<u>125,776,347</u>

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For the Year Ended June 30, 2026

42.2 Segment by class of business

An analysis by class of business of the Company's net investment in finance leases and other loans and finances is given below:

Sectors	2026		2025	
	(Rupees)	%	(Rupees)	%
Individuals	11,517,481,902	34.98%	10,040,101,665	34.61%
Services	2,789,259,115	8.47%	3,158,743,274	10.89%
Goods Transport	3,719,267,132	11.30%	3,049,115,496	10.51%
Trading	2,901,748,263	8.81%	2,160,530,539	7.45%
Fuel & Energy	1,708,920,637	5.19%	1,840,660,282	6.35%
Construction	1,143,421,162	3.47%	1,268,562,674	4.37%
Public Transport	2,114,600,935	6.42%	1,135,254,501	3.91%
Textile & Allied	1,064,570,201	3.23%	1,015,298,722	3.50%
Distributor	1,054,090,041	3.20%	897,904,122	3.10%
Food & Allied	654,997,762	1.99%	706,820,680	2.44%
Steel & Engineering	863,264,874	2.62%	680,409,976	2.35%
Paper, Board & Printing	662,253,967	2.01%	547,454,446	1.89%
Glass, Ceramics & Plastic	520,032,881	1.58%	544,557,186	1.88%
Natural Resource And Farming	697,989,386	2.12%	435,783,842	1.50%
Cables, Electric and Electronic Goods	281,011,910	0.85%	423,299,573	1.46%
Chemical & Pharmaceutical	573,473,520	1.74%	412,049,852	1.42%
Automotive Industry	300,555,437	0.91%	254,257,101	0.88%
Sugar	99,163,514	0.30%	206,228,030	0.71%
Miscellaneous	257,529,273	0.78%	230,812,274	0.80%
	<u>32,923,631,912</u>	<u>100.00%</u>	<u>29,007,844,235</u>	<u>100.00%</u>

Reconciliation of the Company's gross net investment in finance leases and other loans and finances is given below:

	2026	2025
	Rupees	
Net investment in finance leases	7,388,843,972	7,957,688,465
Other loans and finances	25,534,787,940	21,050,155,770
	<u>32,923,631,912</u>	<u>29,007,844,235</u>

42.3 Segment by sector

The Company's net investment in finance lease and other loans and finances includes exposure to private sector of Rs.21.41 million (June 30, 2025: Rs. 18.97 million).

42.4 Geographical segment analysis

The Company's operations are restricted to Pakistan only.

43 TRANSACTIONS WITH RELATED PARTIES

The Company has related party relationships with its parent company, related group companies, associated companies, staff provident fund, staff gratuity fund, directors and key management personnel and entities over which the directors or key management personnel are able to exercise significant influence.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

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The Company in the normal course of business carries out transactions with various related parties. These transactions are executed substantially on the same terms as those prevailing at the time of comparable transactions with unrelated parties and do not involve more than a normal risk. The transactions with Key Management Personnel are in accordance with the terms of the Company's HR Policies. Amounts due from and due to related parties are disclosed in the relevant notes to the unconsolidated financial statements.

43.1 Transactions with related parties during the year are given below:

	Note	2026	2025
----- Rupees -----			
ORIX Corporation, Japan - Parent Company - 49.58% Holding			
Dividend paid - net of tax		442,411,621	402,192,382
Reimbursement of cost		66,000	960,950
Yanal Finance Company - Associate / Common directorship 2.5% ownership			
Dividend received	10.1.3	121,431,403	121,290,321
Reimbursement of cost		4,071,160	1,979,997
OPP (Private) Limited - 45% ownership			
Impairment charged		-	87,754,399
OLP Modaraba- subsidiary - 20% ownership			
Dividend received		11,345,883	9,076,706
Reimbursement of cost		4,386,029	761,093
OLP Services Pakistan (Private) Limited (OSPPL) - 100% ownership			
Rental income / expenses on behalf of OSPPL		742,794	56,116,643
Charge-off against receivables	37	-	96,696,751
OLP Financial Services Pakistan Limited - Employees Provident Fund (OLP-EPF)			
Contribution made	34.1	33,714,365	32,935,277
OLP Financial Services Pakistan Limited - Staff Gratuity Fund (OLP-SGF)			
Contribution made	12.4	11,941,790	20,301,804
Donation paid - Common Directorship			
The Layton Rahmatullah Benevolent Trust		2,500,000	1,500,000

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

	Note	2026	2025
Other related party transactions during the year		Rupees	
Directors and key management personnel			
Compensation of directors and key management personnel			
Director fees paid		13,650,000	15,750,000
Short-term employee benefits		296,544,493	300,009,999
Retirement benefits		15,206,970	17,350,166
Total compensation to directors and key management personnel		325,401,463	333,110,165
Amount of profit on certificates of deposit issued to key management personnel		-	427,579
Redemption of certificates of deposit issued to key management personnel		-	2,001,172
Staff loans disbursed to key management personnel		8,987,200	9,242,400
Interest recovered on staff loans to key management personnel		2,913,739	3,135,695
Principal recovered on staff loans to key management personnel		11,657,171	13,688,642
Dividend paid to key management personnel		195,136	151,393
Dividend paid to directors		294,460	257,040
Dividend paid to the Chief Executive Officer of the Company		3,028,465	2,753,150
43.2 The balances with related parties as at year end:			
Investment in subsidiaries			
- OLP Services Pakistan (Private) Limited - unlisted	9	182,430,262	182,430,262
- OLP Modaraba - listed	9	139,944,032	139,944,032
Investment in associate			
- Yanal Finance Company - 2.5% ownership	10	1,753,135,634	1,775,618,949
Outstanding loans to key management personnel	8.1	31,304,710	22,685,449
Receivable from OLP Modaraba	17	1,091,905	-
Receivable from OLP Services Pakistan (Private) Limited	17	-	10,613,303

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

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	Note	2026	2025
		Rupees	
Receivable from Yanal Finance Company	17	954,045	2,094,320
Receivable from ORIX Corporation, Japan	17	-	52,422

44 STAFF STRENGTH

	2026	2025
	Number of staff	
Staff strength at the end of the year	391	401
Average number of employees*	395	396

* Represents the average taken of the number of employees at the end of each month in the year.

45 PROVIDENT FUND RELATED DISCLOSURES

The Company operates a Staff Provident Fund for its employees. The following information is based on the financial statements of the Fund as at June 30, 2026 (unaudited) and June 30, 2025 (audited) respectively:

	Note	2026 Unaudited	2025 Audited
		Rupees	
Size of the Fund - total assets		974,947,697	958,418,601
Fair value of investments	45.1	965,022,765	941,639,724
		Percentage	
Percentage of investments made		99%	98%

The cost of the above investments amounted to Rs. 900.52 million (June 30, 2025: Rs. 890.51 million).

45.1 The break-up of fair value of investments is as follows:

	Unaudited 2026	Audited 2025	Unaudited 2026	Audited 2025
	Percentage		Rupees	
Cash and bank deposits	0.52%	1.33%	5,031,012	12,544,711
Government securities				
- Treasury Bills	78.59%	59.51%	758,373,351	560,344,427
- Pakistan Investment Bonds	18.82%	37.04%	181,622,402	348,754,586
- Debt Securities - Listed (TFC)	2.07%	2.12%	19,996,000	19,996,000
	100.00%	100.00%	965,022,765	941,639,724

The investments of the provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

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46 FINANCIAL INSTRUMENTS BY CATEGORY

FINANCIAL ASSETS

Net investment in finance lease
Loans and finances
Long term investment
Long-term deposits
Short-term investments
Other receivables
Cash and bank balances

2026			
At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
Rupees			
7,086,206,705	-	-	7,086,206,705
25,826,715,921	-	-	25,826,715,921
-	-	25,721,833	25,721,833
11,550,693	-	-	11,550,693
-	2,862,439,011	-	2,862,439,011
569,077,988	-	-	569,077,988
208,110,261	-	-	208,110,261
33,701,661,568	2,862,439,011	25,721,833	36,589,822,412

FINANCIAL LIABILITIES

Long-term finances
Privately placed term finance certificates
Certificates of deposit
Accrued and other liabilities
Lease liability against right-of-use assets
Unclaimed dividend
Short-term borrowings

2026		
At fair value through profit or loss	At amortised cost	Total
Rupees		
-	19,973,971,724	19,973,971,724
-	373,268,127	373,268,127
-	3,206,779,028	3,206,779,028
-	2,280,129,551	2,280,129,551
-	285,302,359	285,302,359
-	39,528,375	39,528,375
-	1,673,608,821	1,673,608,821
-	27,832,587,985	27,832,587,985

FINANCIAL ASSETS

Net investment in finance lease
Loans and finances
Long-term investments
Long-term deposits
Short-term investments
Other receivables
Cash and bank balances

2025			
At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
Rupees			
7,618,095,306	-	-	7,618,095,306
21,310,775,161	-	-	21,310,775,161
-	-	22,095,195	22,095,195
11,120,680	-	-	11,120,680
-	2,182,958,179	-	2,182,958,179
449,548,970	-	-	449,548,970
278,213,665	-	-	278,213,665
29,667,753,782	2,182,958,179	22,095,195	31,872,807,156

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

FINANCIAL LIABILITIES

2025		
	At fair value through profit or loss	At amortised cost
Rupees		
Long-term finances	-	15,637,493,350
Privately placed term finance certificates	-	1,121,664,975
Certificates of deposit	-	3,174,286,837
Accrued and other liabilities	-	1,393,416,460
Lease liability against right-of-use assets	-	132,892,934
Unclaimed dividend	-	36,662,289
Short-term borrowings	-	1,917,443,770
	-	23,413,860,615

47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks which mainly include market risk, credit risk and liquidity risk. The Board of Directors of the Company has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

47.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices. Market risk comprises three types of risks: currency risk, yield / interest rate risk and other price risk.

47.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk in US dollar, Saudi Riyal and Egyptian Pound on account of its foreign currency bank account and investment in associates. The Company's exposure to foreign currency transactions is as follows:

	2026	2025
Rupees		
Foreign currency bank account	7,845,087	8,040,372
Investment in associate	1,753,135,634	1,775,618,949

As at June 30, 2026, if the Pakistani Rupee had strengthened / weakened by 10% against these currencies with all other variables held constant, the impact on the total comprehensive income would have been lower / higher by an amount of Rs. 176.10 million (June 30, 2025: Rs. 178.36 million).

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

47.1.2 Yield / interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Company has adopted appropriate policies to minimise its exposure to this risk. The interest rate profile of the Company's significant interest bearing financial instruments and the periods in which these will mature are as follows:

		2026						
		Exposed to yield / interest rate risk						Not exposed to yield / profit rate risk
Effective yield / profit rate %		Total	Upto one month	Over one month to three months	Over three months to one year	Over one year to five years	Over five years	
On-balance sheet financial instruments		Rupees						
Financial assets								
Net investment in finance lease	14.80% to 34%	7,086,206,705	499,399,211	613,690,736	2,412,605,342	3,560,511,416	-	-
Loans and finances	14.64% to 35%	25,826,715,921	3,084,834,565	2,016,265,957	8,112,528,817	12,548,702,387	64,384,195	-
Long term investment		25,721,833	-	-	-	-	-	25,721,833
Long-term deposits		11,550,693	-	-	-	-	-	11,550,693
Short-term investments	9.93% to 12.93%	2,862,439,011	248,193,523	1,324,667,047	1,289,578,441	-	-	-
Other receivables		569,077,988	-	-	-	-	-	569,077,988
Cash and bank balances	2.50% to 10.00%	208,110,261	137,185,408	-	-	-	-	70,924,853
Total		36,589,822,412	3,969,612,707	3,954,623,740	11,814,712,600	16,109,213,803	64,384,195	677,275,367
Financial Liabilities								
Long-term finances	10.90% to 12.94%	19,973,971,724	206,464,423	1,747,076,023	5,313,549,499	12,706,881,779	-	-
Privately placed term finance	12.60%	373,268,127	-	186,539,930	186,728,197	-	-	-
Certificates of deposit	6.73% to 18.25%	3,206,779,028	226,929,911	298,235,888	2,585,433,280	96,179,949	-	-
Accrued and other liabilities		2,280,129,551	-	-	-	-	-	2,280,129,551
Lease liability against right-of-use assets		285,302,359	-	-	-	-	-	285,302,359
Unclaimed dividend		39,528,375	-	-	-	-	-	39,528,375
Short-term borrowings	11.89% to 12.78%	1,673,608,821	1,673,608,821	-	-	-	-	-
Total		27,832,587,985	2,107,003,155	2,231,851,841	8,085,710,976	12,803,061,728	-	2,604,960,285
On-balance sheet gap (a)		8,757,234,427	1,862,609,552	1,722,771,899	3,729,001,624	3,306,152,075	64,384,195	(1,927,684,918)
Off-balance sheet financial instruments		-	-	-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-	-	-
Total interest rate sensitivity gap (a+b)		8,757,234,427	1,862,609,552	1,722,771,899	3,729,001,624	3,306,152,075	64,384,195	
Cumulative interest rate sensitivity gap		8,757,234,427	1,862,609,552	3,585,381,451	7,314,383,075	10,620,535,150	10,684,919,345	

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2025								
Exposed to yield / interest rate risk								Not exposed to yield / profit rate risk
Effective yield / profit rate %	Total	Upto one month	Over one month to three months	Over three months to one year	Over one year to five years	Over five years		
On-balance sheet financial instruments Rupees								
Financial assets								
Net investment in finance lease 12% to 34%	7,618,095,306	516,956,146	702,003,090	2,673,430,565	3,725,705,505	-	-	-
Loans and finances 15% to 44.80%	21,310,775,161	1,960,667,544	1,614,703,202	6,755,811,095	10,889,317,523	90,275,797	-	-
Long-term investments	22,095,195	-	-	-	-	-	22,095,195	-
Long-term deposits	11,120,680	-	-	-	-	-	11,120,680	-
Short-term investments 11.25% to 11.95%	2,182,958,179	497,332,287	1,324,360,288	361,265,604	-	-	-	-
Other receivables	449,548,970	-	-	-	-	-	449,548,970	-
Cash and bank balances 4.00% to 9.50%	278,213,665	153,898,218	-	-	-	-	124,315,447	-
Total	31,872,807,156	3,128,854,195	3,641,066,580	9,790,507,264	14,615,023,028	90,275,797	607,080,292	
Financial Liabilities								
Long-term finances 11.47% to 12.81%	15,637,493,350	230,548,913	754,861,111	3,981,250,000	10,670,833,326	-	-	-
Privately placed term finance 11.95%	1,121,664,975	(410,057)	186,679,797	560,395,393	374,999,842	-	-	-
Certificates of deposit 6.73% to 18.25%	3,174,286,837	274,737,685	279,889,093	1,978,119,745	641,540,314	-	-	-
Accrued and other liabilities	1,393,416,460	-	-	-	-	-	1,393,416,460	-
Lease liability against right-of-use assets	132,892,934	-	-	-	-	-	132,892,934	-
Unclaimed dividend	36,662,289	-	-	-	-	-	36,662,289	-
Short-term borrowings 11.83% to 13.18%	1,917,443,770	1,917,443,770	-	-	-	-	-	-
Total	23,413,860,615	2,422,320,311	1,221,430,001	6,519,765,138	11,687,373,482	-	1,562,971,683	
On-balance sheet gap (a)	8,458,946,541	706,533,884	2,419,636,579	3,270,742,126	2,927,649,546	90,275,797	(955,891,391)	
Off-balance sheet financial instruments	-	-	-	-	-	-	-	
Off-balance sheet gap (b)	-	-	-	-	-	-	-	
Total interest rate sensitivity gap (a+b)	8,458,946,541	706,533,884	2,419,636,579	3,270,742,126	2,927,649,546	90,275,797		
Cumulative interest rate sensitivity gap	8,458,946,541	706,533,884	3,126,170,463	6,396,912,589	9,324,562,135	9,414,837,932		

a) Sensitivity analysis for variable rate financial instruments

The Company has extended KIBOR based long-term leases and finances to various counter parties that expose the Company to cash flow interest rate risk. In case of increase / decrease in KIBOR by 100 basis points on the last repricing date with all other variables held constant, the profit before tax would have been higher / lower by Rs. 274.31 million (June 30, 2025: Rs. 255.12 million).

Furthermore, the Company also has KIBOR based financial liabilities in Pakistani Rupees representing short-term running finance arrangements, short-term and long-term finances obtained from various financial institutions and certificates of deposit which expose the Company to cash flow interest rate risk. In case of increase / decrease in KIBOR by 100 basis points on the last repricing date with all other variables held constant, the profit before tax would have been lower / higher by Rs. 252.28 million (June 30, 2025: Rs. 214.69 million).

The Company holds short term and long term unutilised credit lines with banks amounting to Rs. 2,118 million and Rs. 750 million as at June 30, 2026 (June 30, 2025: Rs. 1,178 million and Rs. 1,700 million).

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b) Sensitivity analysis for fixed rate financial instruments

As at June 30, 2026, the Company holds Market Treasury Bills which are classified as 'financial assets at fair value through profit or loss', exposing the Company to fair value interest rate risk. In case of 100 basis points increase / decrease in rates announced by the Financial Markets Association of Pakistan for Market Treasury Bills with all other variables held constant, the net profit for the year and net assets of the Company would have been higher / lower by Rs. 4.67 million (June 30, 2025: Rs. 7.07 million).

47.1.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at June 30, 2026 the Company held shares of LSE Venture and LSE Capital (June 30, 2025: LSE Capital and LSE Venture) and shares of Al-Baraka Bank (Pakistan) Limited - Unlisted (June 30, 2025: Al-Baraka Bank (Pakistan) Limited - Unlisted). In case of change of 5% to the price of these shares the profit for the year and net assets of the Company would be higher / lower by Rs 1.29 million (June 30, 2025: Rs 1.10 million).

47.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The risk is generally limited to principal amounts and accrued profit thereon, if any. The Company has established procedures to manage credit exposure including credit approval limit, credit exposure limits, collateral and guarantee requirements. These procedures incorporate both internal guidelines as well as the requirements of the NBFC Rules and the NBFC Regulations. The Company also manages credit risk through an independent credit department which evaluates customers' credit worthiness and obtains adequate securities where applicable.

All investing transactions are settled / paid for upon delivery. The Company's policy is to enter into financial instrument contracts by following internal guidelines for approval.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location. Significant concentration of the Company's risk assets by class of business, industry sector and geographical region is set out in note 42.

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The Company applies IFRS 9 simplified approach and general approach for lease and loan losses respectively to determine ECL. Probability of default (PD) represents the likelihood that a counterparty will default within the next 12 months (12-month ECL, Stage 1) or over the remaining lifetime of the financial instrument (lifetime ECL, Stage 2). The company employs a Roll Rate/ Transition Matrix model to analyze monthly migration of obligors across Days Past Due (DPD) buckets, defined in 30-day intervals, based on historical data. These through-the-cycle PDs are then adjusted to point-in-time PDs using the Vasicek Distribution Framework, which incorporates forward-looking macroeconomic variables which includes Pakistan's Gross Domestic Product (GDP), Consumer Price Index (CPI), B54.

The maximum exposure to credit risk at the reporting date is as follows:

	Carrying value		Maximum exposure	
	2026	2025	2026	2025
	----- Rupees -----			
Net investment in finance lease	7,086,206,705	7,618,095,306	7,086,206,705	7,618,095,306
Loans and finances	25,826,715,921	21,310,775,161	25,826,715,921	21,310,775,161
Long-term investments	25,721,833	22,095,195	-	-
Long term deposits	11,550,693	11,120,680	11,550,693	11,120,680
Short-term investments	2,862,439,011	2,182,958,179	-	-
Other receivables	569,077,988	449,548,970	569,077,988	449,548,970
Cash and bank balances	208,110,261	278,213,665	206,905,261	276,893,665
	<u>36,589,822,412</u>	<u>31,872,807,156</u>	<u>33,700,456,568</u>	<u>29,666,433,782</u>

Difference in the balance as per the carrying value and maximum exposure is due to the fact that investments in Government securities, equity securities and cash in hand are not exposed to credit risk.

The Company controls the credit quality of receivables through diversification of activities to avoid undue concentration of risks with individuals, groups or specific industry segments. For such purpose, the Company has established exposure limits for single lessees and industrial sectors. The Company has an effective rental monitoring system which allows it to evaluate customers' credit worthiness and identify potential problem accounts. ECL / provision against leases, loans and finances is maintained at a level which, in the judgment of management, is adequate to provide for potential losses on lease and other loan portfolios that can be reasonably anticipated. The credit quality of receivables can be assessed with reference to their historical performance with no or some defaults in recent history.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

The carrying value of non-performing / credit impaired receivables is as follows:

	2026			
	Finance lease (net of security deposit)	Loans and Finances	Other receivables	Total
	Rupees			
Within 90 days	-	12,500,771	-	12,500,771
91 - 180 days	24,523,083	98,380,593	-	122,903,676
181-365 days	16,254,362	39,782,367	-	56,036,729
Over 1 year	279,630,595	178,822,389	1,697,761	460,150,745
	320,408,040	329,486,120	1,697,761	651,591,921
Less: expected credit loss / provision	302,637,267	299,898,380	1,697,761	604,233,408
Net of expected credit loss / provision	17,770,773	29,587,740	-	47,358,513
Coverage ratio	94.45%	91.02%	100.00%	92.73%
	2025			
	Finance lease (net of security deposit)	Loans and Finances	Other receivables	Total
	Rupees			
Within 90 days	7,345,557	4,390,494	-	11,736,051
91 - 180 days	26,170,695	77,332,111	-	103,502,806
181-365 days	15,562,738	84,379,050	-	99,941,788
Over 1 Year	314,605,989	132,363,243	4,688,508	451,657,740
	363,684,979	298,464,898	4,688,508	666,838,385
Less: expected credit loss / provision	339,593,159	323,616,657	4,688,508	667,898,324
Net of expected credit loss / provision	24,091,820	(25,151,759)	-	(1,059,939)
Coverage ratio	93.38%	108.43%	100.00%	100.16%

The credit quality of the Company's bank balances and investment portfolio are assessed with reference to external credit ratings which in all cases are above investment grade rating.

The analysis below summarises the credit rating quality of the Company's bank balances as at June 30, 2026 and June 30, 2025:

	2026	2025
	Rupees	
Bank balances		
AAA	177,547,000	257,280,546
AA+	15,308,285	-
AA	11,740,595	18,500,810
AA-	1,418,700	157,553
A+	-	245,625
State Bank of Pakistan	903,965	725,156
	206,918,545	276,909,690

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

The Company does not hold any other financial assets which are rated.

Expected Credit Loss (ECL) on bank balances has been measured on a 12-month expected credit loss basis, reflecting the short-term maturity of the exposure. The Company considers its bank balances to have low credit risk based on the external rating of the counterparty. The 12-month probabilities of default are based on historical data provided by the External Rating Agency for the relevant credit rating. The loss given default (LGD) parameters generally reflect assumed recovery rates in line with those set out in the Basel Guidelines.

47.2.1 The Company applies the IFRS 9 simplified approach to measure expected credit losses for net investment in finance lease and ijarah. To measure the expected credit losses, such financial assets have been grouped based on days past due. On that basis, the loss allowance as at June 30, 2026 and June 30, 2025 was determined as follows:

Net investment in finance lease

	2026			2025		
	Expected loss rate	Gross carrying amount	Expected credit loss / Provision	Expected loss rate	Gross carrying amount	Expected credit loss / Provision
Rupees						
Not yet due	0.08%	6,026,537,763	4,528,136	0.06%	6,989,502,914	4,008,217
1-30 days	0.39%	2,091,488,162	8,144,978	0.29%	1,672,593,371	4,832,100
31-90 days	0.86%	495,294,199	4,254,099	1.60%	543,374,105	8,692,370
91-365 days	23.78%	46,025,290	10,943,100	45.81%	48,196,678	22,078,750
More than 365 days	74.38%	369,394,091	274,766,954	72.63%	413,048,912	299,981,722
Total		9,028,739,505	302,637,267		9,666,715,980	339,593,159

Other receivables

	2026			2025		
	Expected loss rate	Gross carrying amount	Expected credit loss / Provision	Expected loss rate	Gross carrying amount	Expected credit loss / Provision
Rupees						
Not yet due	0.00%	-	-	0.00%	-	-
1-30 days	0.00%	-	-	0.00%	-	-
31-90 days	0.00%	-	-	0.00%	-	-
91-365 days	0.00%	-	-	0.00%	-	-
More than 365 days	100.00%	1,697,761	1,697,761	100.00%	4,688,508	4,688,508
Total		1,697,761	1,697,761		4,688,508	4,688,508

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

For loans and other financial assets, a lifetime ECL is recorded in which there has been Significant Increase in Credit Risk (SICR) from the date of initial recognition and for financial assets which are credit impaired as on reporting date. A 12-months ECL is recorded for all other financial assets which do not meet the criteria for SICR or "credit impaired" as at reporting date. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Company also considers reasonable and supportive forward-looking information in determination of ECL.

47.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company will be required to pay its liabilities earlier than expected or will face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below summarises the Company's financial liabilities into relevant maturity groupings based on the remaining period at the unconsolidated statement of financial position date to contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2026				
	Carrying amount	Contractual cash flows	Upto three months	More than three months and upto one year	More than one year
	Rupees				
Long-term finances	19,973,971,724	24,337,544,581	2,331,414,099	6,874,168,507	15,131,961,975
Privately placed					
term finance certificates	373,268,127	392,799,658	199,409,590	193,390,068	-
Certificates of deposit	3,206,779,028	3,206,779,028	525,165,799	2,585,433,280	96,179,949
Accrued and other liabilities	2,280,129,551	2,280,129,551	2,280,129,551	-	-
Lease liability against right of use assets	285,302,359	152,347,843	11,767,844	37,040,310	103,539,689
Unclaimed dividend	39,528,375	39,528,375	39,528,375	-	-
Short-term borrowings	1,673,608,821	1,877,462,032	62,987,917	1,814,474,115	-
	<u>27,832,587,985</u>	<u>32,286,591,068</u>	<u>5,450,403,175</u>	<u>11,504,506,280</u>	<u>15,331,681,613</u>

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

	2025				
	Carrying amount	Contractual cash flows	Upto three months	More than three months and upto one year	More than one year
	Rupees				
Long-term finances	15,637,493,350	19,261,778,458	1,298,818,568	5,235,991,141	12,726,968,749
Privately placed					
term finance certificates	1,121,664,975	1,242,665,753	221,328,904	629,483,682	391,853,167
Certificates of deposit	3,174,286,837	3,727,814,139	515,438,922	2,140,203,107	1,072,172,110
Accrued and other liabilities	1,393,416,460	1,393,416,460	1,393,416,460	-	-
Lease liability against right					
of use assets	132,892,934	196,648,833	18,232,927	44,640,151	133,775,755
Unclaimed dividend	36,662,289	36,662,289	36,662,289	-	-
Short-term borrowings	1,917,443,770	2,304,406,360	141,176,089	2,163,230,271	-
	<u>23,413,860,615</u>	<u>28,163,392,292</u>	<u>3,625,074,159</u>	<u>10,213,548,352</u>	<u>14,324,769,781</u>

48 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

The fair values of investments classified as "at fair value through profit or loss" and "at fair value through other comprehensive income" is based on active market. The investment in associates is accounted for using the equity method while the subsidiaries have been kept at cost.

Fair values of net investments in finance lease, long term loans and finances, long term deposits and other assets, other liabilities, certificates of deposit and other accounts are approximate to their carrying value. The provision for impairment of finance lease and long term loans and finances has been calculated in accordance with the Company's accounting policy.

In the opinion of management, fair values of the remaining financial assets and liabilities are not significantly different from their carrying values since these assets and liabilities are short term in nature or are periodically repriced.

Fair value hierarchy

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

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

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

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

2026				
	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Financial assets				
Financial assets at fair value through other comprehensive income				
Ordinary shares - listed	21,618,930	-	-	21,618,930
Ordinary shares - unlisted	-	4,102,903	-	4,102,903
Financial assets at fair value through profit or loss				
Market Treasury bills	-	2,862,439,011	-	2,862,439,011
Non-financial assets				
Property and equipment (Leasehold land and building)*	-	1,161,843,100	-	1,161,843,100
Total	21,618,930	4,028,385,014	-	4,050,003,944

2025				
	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Financial assets				
Financial assets at fair value through other comprehensive income				
Ordinary shares - listed	11,164,079	-	-	11,164,079
Ordinary shares - unlisted	-	10,931,116	-	10,931,116
Financial assets at fair value through profit or loss				
Market Treasury bills	-	2,182,958,179	-	2,182,958,179
Non-financial assets				
Property and equipment (Leasehold land & building)*	-	965,951,564	-	965,951,564
Total	11,164,079	3,159,840,859	-	3,171,004,938

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

Item	Valuation approach and input used
Treasury bills	The fair value of Treasury bills is derived using PKRV rates. PKRV rates are average of the yield-to-maturity on government securities traded in the secondary market and determined at the end of day. The yield-to-maturity on government securities is quoted by the eight (08) brokerage houses keeping in view the yield-to-maturity on government securities traded in the secondary market.
Property and equipment (leasehold land and office building)*	The revaluation by the valuer is carried out on the basis of professional assessment of present market values.
Ordinary shares	The fair value of listed ordinary shares is determined using quoted prices (unadjusted) listed on Pakistan Stock Exchange. The fair value of unlisted ordinary shares is determined using the market approach, based on the Price-to-Earnings (P/E) multiple derived from comparable companies and adjusted for lack of marketability to reflect the unlisted nature of the investment.

* Leasehold land and building are carried at revalued amounts (level 2 measurement) determined by professional valuers based on their assessment of the market values as disclosed in note 5 to these unconsolidated financial statements. The valuation experts used a market based approach to arrive at the fair value of the Company's properties. The approach uses prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties.

49 CAPITAL RISK MANAGEMENT

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets, gearing ratio and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to its shareholders or issue new shares.

As required under the NBFC Regulations, every Investment finance company involved in deposit taking shall maintain a capital adequacy ratio of 8% of the Total Risk Weighted Assets (RWA) for the first two years after the amendment coming into force and thereafter at the rate of 10% of RWA. The Company has maintained and complied with the minimum equity requirement during the current year.

50 EARNINGS PER SHARE - basic and diluted

	2026	2025
	Rupees	
Profit for the year after taxation (Rupees)	1,333,715,463	1,225,471,036
Weighted average number of ordinary shares	175,407,647	175,407,647
Earnings per share - basic and diluted (Rupees)	7.60	6.99

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

50.1 Diluted earnings per share has not been presented separately as the Company does not have any convertible instruments in issue as at June 30, 2026 and June 30, 2025 which would have any effect on the earnings per share.

51 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its meeting held on September 17, 2026 proposed a final cash dividend of Rs. 4 per share (June 30, 2025: Rs. 3.5 per share) for the year ended June 30, 2026, amounting to Rs. 701,630,588 (June 30, 2025: Rs. 613,926,765). This appropriation will be approved by the members of the Company at the Annual General Meeting to be held on October 22, 2026. The unconsolidated financial statements for the year ended June 30, 2026 do not include the effect of the above appropriation which will be accounted for in the unconsolidated financial statements of the Company for the year ending June 30, 2027.

52 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on September 17, 2026 by the Board of Directors of the Company.

53 GENERAL

Figures reported in these unconsolidated financial statements have been rounded off to the nearest Rupee unless otherwise stated.



Shaheen Amin
Chief Executive Officer



Ramon Alfrey
Director



Abid Hussain Awan
Chief Financial Officer

DIRECTORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

The directors of OLP Financial Services Pakistan Limited (OLP) are pleased to present their report together with the audited consolidated financial statements for the Group for the year ended June 30, 2026. The Group comprises:

- OLP Financial Services Pakistan Limited (OLP) – The Holding Company
- OLP Modaraba (OM) – Subsidiary Company
- OLP Services Pakistan (Private) Limited (OSP) - Subsidiary Company

The Director's Report giving commentary on the performance of OLP for the year ended June 30, 2026, has been presented separately on page 21, which contains the business review, operational performance of OLP, future prospects and other requisite information on OLP. The contents of the said report shall be read along with this report and shall form an integral part of the Director's Report in terms of section 227 of the Companies Act, 2017 and the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 issued by the Securities and Exchange Commission of Pakistan.

Group Results

The consolidated financial results of the Group are summarized below:

Description	2026 -----Rupees-----	2025
Continuing Operations		
Profit before income tax and levy	2,386,551,099	2,325,147,104
Taxation and levies	909,645,324	865,250,123
Profit from continuing operations	1,476,905,775	1,459,896,981
Discontinued Operations		
Gain / (loss) from discontinued operations – net of tax	24,223	(17,445,692)
Profit for the year	1,476,929,998	1,442,451,289
Profit attributable to Equity shareholders of the Holding Company	1,348,365,975	1,303,189,813
Profit attributable to non-controlling interest	128,564,023	139,261,476
Earnings per share – basic and diluted	7.69	7.43
Earnings per share – continuing operations - basic and diluted	7.69	7.53

Pattern of shareholding

The pattern of shareholding and related information as at June 30, 2026 is presented at page 263.

Financial and Operational Performance

Consolidated profit of the Group for the year ended June 30, 2026 was Rs. 1,348 million (2025: Rs. 1,303 million) with an EPS of Rs. 7.69 (2025: Rs. 7.43). Profit from OM amounted to Rs. 161 million (2025: Rs. 174 million) and loss from OSP amounted to Rs. 0.86 million (2025: profit of Rs. 61 million). Minority interest accounts for 80% of OM's equity. As such, Rs. 129 million (2025: Rs. 139 million) out of OM's profit is attributable to non-controlling interest.

On behalf of the Board



SHAHEEN AMIN
Chief Executive Officer



Ramon Alfrey
Director

September 17, 2026

اشتہالی مالیاتی گوشواروں پر مبنی مالیاتی اور عملی کارکردگی:

گروپ کا اشتہالی منافع بعد از محصول (ٹیکس) برائے اختتام سال 30 جون 2026ء 1,348 ملین روپے تھا (2025 میں 1,303 ملین روپے) اور فی حصص آمدنی 7.69 روپے (جون 2025: 7.43 روپے)۔ اوایم سے 161 ملین روپے منافع (2025 میں 174 ملین روپے) اور اولیس پی سے 0.86 ملین روپے منافع ہوا (2025 میں 61 ملین روپے منافع)۔ اوایم میں 80 فیصد ایکویٹی اقلیتی حصص یافتگان کی ہے۔ اس طرح، اوایم کے منافع میں 129 ملین روپے (2025: 139 ملین روپے) اقلیتی حصص یافتگان کا حصہ ہے۔

پورٹ کی جانب سے



ربین اختر
ڈائریکٹر



شاجین امین
چیف ایگزیکٹو آفیسر

17 ستمبر 2026ء

ڈائریکٹرز کی رپورٹ برائے اشتہالی مالیاتی گوشوارے

اوایل پی فنانشل سروسز پاکستان لمیٹڈ (اوایل پی) کے ڈائریکٹران بمسرت معرگروپ کے آڈٹ شدہ اشتہالی مالیاتی گوشوارے برائے اختتام سال 30 جون 2026 پیش کرتے ہیں۔ گروپ درج ذیل پر مشتمل ہے:

- اوایل پی فنانشل سروسز پاکستان لمیٹڈ (اوایل پی)۔ ہولڈنگ کمپنی
- اوایل پی مضاربہ (اوایم)۔ ذیلی کمپنی
- اوایل پی سروسز پاکستان (پرائیویٹ) لمیٹڈ (اوایس پی)۔ ذیلی کمپنی

اختتام سال 30 جون 2026، کیلئے اوایل پی کی کارکردگی کا احاطہ کرتی ڈائریکٹران کی رپورٹ صفحہ نمبر 21 پر پیش کی گئی ہے۔ جس میں کاروباری جائزہ، اوایل پی کی آپریشنل کارکردگی، مستقبل کے امکانات اور اوایل پی پر دیگر معلومات شامل ہیں۔ مذکورہ بالا رپورٹ کے مندرجات کو اس رپورٹ کے ساتھ پڑھا جائے، جو کمپنیز ایکٹ 2017 کے سیکشن 227 اور سیکرٹری اینڈ انچیف کمیشن آف پاکستان کی جانب سے جاری کردہ لکھنویز (کوڈ آف کارپوریٹ گورننس) کے قواعد و ضوابط 2019 کی رو سے ڈائریکٹرز کی رپورٹ کا لازمی حصہ ہیں۔

گروپ کے نتائج:

گروپ کے اشتہالی مالیاتی نتائج مختصر اورج ذیل ہیں:

2025	2026	
روپے		
		جاری آپریشنز
2,325,147,104	2,386,551,099	قبل از محصول (ٹیکس) ویلوی منافع
865,250,123	909,645,324	محصولات ویلویز
1,459,896,981	1,476,905,775	جاری آپریشنز سے منافع
		بند کئے گئے آپریشنز
(17,445,692)	24,223	بند کئے گئے آپریشنز سے منافع / (خسارہ)۔ بعد از ٹیکس
1,442,451,289	1,476,929,998	سال کا منافع
1,303,189,813	1,348,365,975	ہولڈنگ کمپنی کے ایکٹوٹیٹیٹرز ہولڈرز کیلئے منافع
139,261,476	128,564,023	ٹان کنٹروالنگ انٹریٹ سے منسوب منافع
7.43	7.69	فی شیئر آمدنی۔ بنیادی اور ترقی شدہ
7.53	7.69	جاری آپریشنز سے فی شیئر آمدنی۔ بنیادی اور ترقی

شیئر ہولڈنگ کا طرز:

شیئر ہولڈنگ کا طرز اور متعلقہ معلومات بمطابق 30 جون 2026، صفحہ نمبر 263 پر پیش کردی گئی ہیں۔

CONSOLIDATED SIX YEARS' VERTICAL ANALYSIS

Consolidated Statement of Financial Position	2026		2025		2024		2023		2022		2021	
	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%
ASSETS												
Non-current assets												
Property and equipment	2,022	4.17%	2,149	4.89%	2,537	6.45%	2,911	7.60%	3,119	8.65%	3,604	11.53%
Intangible assets	67	0.14%	28	0.06%	18	0.05%	17	0.04%	28	0.08%	42	0.13%
Net investment in finance leases	3,561	7.34%	3,726	8.48%	4,100	10.42%	5,734	14.97%	6,495	18.01%	6,563	21.00%
Long-term loans and finances	17,707	36.48%	15,725	35.78%	12,835	32.63%	10,202	26.63%	9,506	26.36%	6,540	20.92%
Investment in associate	1,753	3.61%	1,776	4.04%	1,707	4.34%	1,719	4.49%	1,208	3.35%	916	2.93%
Long-term investments	26	0.05%	22	0.05%	9	0.02%	15	0.04%	195	0.54%	387	1.24%
Long-term deposits	12	0.02%	11	0.03%	11	0.03%	11	0.03%	11	0.03%	11	0.04%
Defined benefit plan asset	55	0.11%	64	0.15%	22	0.06%	6	0.02%	27	0.07%	8	0.03%
	25,203	51.92%	23,501	53.47%	21,239	54.00%	20,615	53.81%	20,589	57.09%	18,071	57.81%
Current assets												
Short-term finances	1	0.00%	5	0.01%	34	0.09%	42	0.11%	20	0.06%	6	0.02%
Current maturity of non-current assets	18,776	38.68%	16,354	37.21%	13,802	35.09%	14,001	36.54%	12,642	35.05%	11,177	35.76%
Short-term investments	2,862	5.90%	2,343	5.33%	2,927	7.44%	2,572	6.71%	577	1.60%	328	1.05%
Advances and prepayments	209	0.43%	293	0.67%	379	0.96%	112	0.29%	396	1.10%	280	0.90%
Other receivables	587	1.21%	551	1.25%	101	0.26%	150	0.39%	177	0.49%	138	0.44%
Cash and bank balances	899	1.85%	892	2.03%	754	1.92%	556	1.45%	1,398	3.88%	992	3.17%
Net investment in Ijarah finance	-	0.00%	-	0.00%	-	0.00%	-	0.00%	0.4	0.00%	0.4	0.00%
Assets classified as held for sale	5	0.01%	12	0.03%	93	0.24%	265	0.69%	265	0.73%	265	0.85%
	23,339	48.08%	20,450	46.53%	18,090	46.00%	17,698	46.19%	15,475	42.91%	13,186	42.19%
Total assets	48,542	100.00%	43,951	100.00%	39,329	100.00%	38,313	100.00%	36,064	100.00%	31,257	100.00%
EQUITY AND LIABILITIES												
Share capital and reserves												
Total equity attributable to equity holder of the Holding Company	11,497	23.68%	10,918	24.84%	10,413	26.48%	9,710	25.34%	8,846	24.53%	8,485	27.15%
Non-controlling interest	1,111	2.29%	1,073	2.44%	1,007	2.56%	954	2.49%	933	2.59%	959	3.07%
Non-current liabilities												
Long-term finances	13,287	27.37%	11,654	26.52%	7,747	19.70%	9,404	24.55%	10,565	29.30%	5,740	18.36%
Long-term certificates of deposit	91	0.19%	762	1.73%	893	2.27%	990	2.58%	2,096	5.81%	2,592	8.29%
Long-term deposits	72	0.15%	147	0.33%	270	0.69%	327	0.85%	313	0.87%	334	1.07%
Deferred taxation	789	1.63%	708	1.61%	573	1.46%	505	1.32%	300	0.83%	412	1.32%
Lease Liabilities	284	0.59%	142	0.32%	150	0.38%	194	0.51%	336	0.93%	287	0.92%
Redeemable capital	1,639	3.38%	102	0.23%	142	0.36%	179	0.47%	416	1.15%	343	1.10%
	16,162	33.29%	13,515	30.75%	9,775	24.85%	11,599	30.27%	14,026	38.89%	9,708	31.06%
Current liabilities												
Accrued and other liabilities	2,770	5.71%	1,836	4.18%	1,845	4.69%	1,438	3.75%	1,525	4.23%	1,106	3.54%
Unpaid dividend	-	0.00%	-	0.00%	-	0.00%	483	1.26%	168	0.47%	185	0.59%
Unclaimed dividend	124	0.26%	97	0.22%	93	0.24%	93	0.24%	93	0.26%	85	0.27%
Short-term borrowings	1,675	3.45%	2,073	4.72%	1,683	4.28%	861	2.25%	389	1.08%	1,446	4.63%
Short-term certificates of deposit	2,330	4.80%	2,106	4.79%	4,183	10.64%	3,311	8.64%	1,574	4.36%	1,692	5.41%
Current maturity of non-current liabilities	12,714	26.19%	12,105	27.54%	10,072	25.61%	9,447	24.66%	8,240	22.85%	7,449	23.83%
Taxation - net	159	0.33%	227	0.52%	258	0.66%	417	1.09%	270	0.75%	142	0.45%
Liabilities directly associated with the assets held for sale	-	0.00%	1	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
	19,772	40.73%	18,445	41.97%	18,134	46.11%	16,050	41.89%	12,259	33.99%	12,105	38.73%
Total equity and liabilities	48,542	100.00%	43,951	100.00%	39,329	100.00%	38,313	100.00%	36,064	100.00%	31,257	100.00%

Consolidated Statement of Profit or Loss	2026		2025		2024		2023		2022		2021	
	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%
INCOME												
Income from operations												
Markup on finance leases	1,387	17.05%	1,806	20.23%	2,784	27.48%	2,881	33.12%	2,253	37.45%	2,219	40.88%
Mark-up on loans and finances	5,345	65.69%	5,258	58.90%	5,244	51.77%	3,851	44.27%	2,050	34.08%	1,327	24.45%
	6,732	82.73%	7,064	79.13%	8,028	79.25%	6,732	77.40%	4,303	71.53%	3,546	65.33%
Income from other activities												
Other income - net	1,276	15.68%	1,709	19.14%	1,962	19.37%	1,848	21.25%	1,649	27.41%	1,846	34.01%
Share of profit from associate - net of tax	129	1.59%	154	1.73%	140	1.38%	118	1.36%	64	1.06%	36	0.66%
	1,405	17.27%	1,863	20.87%	2,102	20.75%	1,966	22.60%	1,713	28.47%	1,882	34.67%
Total Income	8,137	100.00%	8,927	100.00%	10,130	100.00%	8,698	100.00%	6,016	100.00%	5,428	100.00%
EXPENSES												
Finance cost	3,395	41.72%	4,114	46.08%	4,968	49.04%	3,983	45.79%	2,214	36.80%	1,523	28.06%
Administrative and general expenses	2,014	24.75%	1,989	22.28%	1,893	18.69%	1,693	19.46%	1,489	24.75%	1,356	24.98%
Direct cost	268	3.29%	440	4.93%	540	5.33%	718	8.25%	870	14.46%	1,123	20.69%
	5,677	69.77%	6,543	73.29%	7,401	73.06%	6,394	73.51%	4,573	76.01%	4,002	73.73%
Profit before provision and taxation	2,460	30.23%	2,384	26.71%	2,729	26.94%	2,304	26.49%	1,443	23.99%	1,426	26.27%
Reversal of expected credit loss / provision against leases, loans and finances - net	25	0.31%	(99)	-1.11%	(52)	-0.51%	85	0.98%	(64)	-1.06%	10	0.18%
Other provision - net	48	0.59%	158	1.77%	250	2.47%	55	0.63%	37	0.62%	14	0.26%
	73	0.90%	59	0.66%	198	1.95%	140	1.61%	(27)	-0.45%	24	0.44%
Profit before income taxes and levy	2,387	29.34%	2,325	26.04%	2,531	24.99%	2,164	24.88%	1,470	24.43%	1,402	25.83%
Taxation	910	11.18%	866	9.70%	970	9.58%	876	10.07%	536	8.91%	369	6.80%
Profit from continuing operations	1,477	18.15%	1,459	16.34%	1,561	15.41%	1,288	14.81%	934	15.53%	1,033	19.03%
Discontinued Operations												
Loss from discontinued operations - net of tax	-	0.00%	(17)	(0)	(16)	(0)	-	0.00%	-	0.00%	-	0.00%
Profit for the year	1,477	18.15%	1,442	16.15%	1,545	15.25%	1,288	14.81%	934	15.53%	1,033	19.03%

CONSOLIDATED SIX YEARS' HORIZONTAL ANALYSIS

Consolidated Statement of Financial Position	2026	26 vs 25	2025	25 vs 24	2024	24 vs 23	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20
	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%
ASSETS												
Non-current assets												
Property and equipment	2,022	-5.92%	2,149	-15.28%	2,537	-12.85%	2,911	-6.67%	3,119	-13.46%	3,604	-17.60%
Intangible assets	67	139.29%	28	55.56%	18	5.88%	17	-39.29%	28	-33.33%	42	-32.26%
Net investment in finance leases	3,561	-4.43%	3,726	-9.12%	4,100	-28.50%	5,734	-11.72%	6,495	-1.04%	6,563	9.68%
Long-term loans and finances	17,707	12.60%	15,725	22.52%	12,835	25.81%	10,202	7.32%	9,506	45.35%	6,540	43.48%
Investment in associate	1,753	-1.30%	1,776	4.04%	1,707	-0.70%	1,719	42.30%	1,208	31.88%	916	-2.97%
Long-term investments	26	18.18%	22	144.44%	9	-40.00%	15	-92.31%	195	-49.61%	387	-14.76%
Long-term deposits	12	9.09%	11	0.00%	11	0.00%	11	0.00%	11	0.00%	11	-15.38%
Defined benefit plan asset	55	-14.06%	64	190.91%	22	266.67%	6	-77.78%	27	237.50%	8	-79.49%
	25,203	7.24%	23,501	10.65%	21,239	3.03%	20,615	0.13%	20,589	13.93%	18,071	10.00%
Current assets												
Short-term finances	1	-80.00%	5	-85.29%	34	-19.05%	42	110.00%	20	233.33%	6	-97.44%
Current maturity of non-current assets	18,776	14.81%	16,354	18.49%	13,802	-1.42%	14,001	10.75%	12,642	13.11%	11,177	5.38%
Short-term investments	2,862	22.15%	2,343	-19.95%	2,927	13.80%	2,572	345.75%	577	75.91%	328	-59.15%
Advances and prepayments	209	-28.67%	293	-22.69%	379	238.39%	112	-71.72%	396	41.43%	280	125.81%
Other receivables	587	6.53%	551	445.54%	101	-32.67%	150	-15.25%	177	28.26%	138	-48.70%
Cash and bank balances	899	0.78%	892	18.30%	754	35.61%	556	-60.23%	1,398	40.93%	992	-20.70%
Net investment in Ijarah finance	-	0.00%	-	0.00%	-	0.00%	-	-100.00%	0.4	0.00%	0.4	0.00%
Assets classified as held for sale	5	-58.33%	12	-87.10%	93	-64.91%	265	0.00%	265	0.00%	265	-2.21%
	23,339	14.13%	20,450	13.05%	18,090	2.21%	17,698	14.36%	15,475	17.36%	13,186	-2.74%
Total assets	48,542	10.45%	43,951	11.75%	39,329	2.65%	38,313	6.24%	36,064	15.38%	31,257	4.24%
EQUITY AND LIABILITIES												
Share capital and reserves												
Total equity attributable to equity holder of the Holding Company	11,497	5.30%	10,918	4.85%	10,413	7.24%	9,710	9.77%	8,846	4.25%	8,485	3.50%
Non-controlling interest	1,111	3.54%	1,073	6.55%	1,007	5.56%	954	2.25%	933	-2.71%	959	-2.24%
Non-current liabilities												
Long-term finances	13,287	14.01%	11,654	50.43%	7,747	-17.62%	9,404	-10.99%	10,565	84.06%	5,740	8.30%
Long-term certificates of deposit	91	-88.06%	762	-14.67%	893	-9.80%	990	-52.77%	2,096	-19.14%	2,592	-1.44%
Long-term deposits	72	-51.02%	147	-45.56%	270	-17.43%	327	4.47%	313	-6.29%	334	-10.93%
Deferred taxation	789	11.44%	708	23.56%	573	13.47%	505	68.33%	300	-27.18%	412	-20.16%
Lease Liabilities	284	100.00%	142	-5.33%	150	-22.68%	194	-42.26%	336	17.07%	287	-0.35%
Defined benefit obligation	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Redeemable capital	1,639	1506.86%	102	-28.17%	142	-20.67%	179	-56.97%	416	21.28%	343	779.49%
	16,162	19.59%	13,515	38.26%	9,775	-15.73%	11,599	-17.30%	14,026	44.48%	9,708	6.12%
Current liabilities												
Accrued and other liabilities	2,770	50.87%	1,836	-0.49%	1,845	28.30%	1,438	-5.70%	1,525	37.88%	1,106	83.42%
Unpaid dividend	-	0.00%	-	0.00%	-	-100.00%	483	187.50%	168	-9.19%	185	100.00%
Unclaimed dividend	124	27.84%	97	4.30%	93	0.00%	93	0.00%	93	9.41%	85	0.00%
Short-term borrowings	1,675	-19.20%	2,073	23.17%	1,683	95.47%	861	121.34%	389	-73.10%	1,446	703.33%
Short-term certificates of deposit	2,330	10.64%	2,106	-49.65%	4,183	26.34%	3,311	110.36%	1,574	-6.97%	1,692	60.53%
Taxation - net	12,714	5.03%	12,105	20.18%	10,072	2315.35%	417	54.44%	270	90.14%	142	-58.60%
Current maturity of non-current liabilities	159	-29.96%	227	-12.02%	258	-97.27%	9,447	14.65%	8,240	10.62%	7,449	-20.70%
Liabilities directly associated with the assets held for sale	-	-100.00%	1	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
	19,772	7.19%	18,445	1.72%	18,134	12.98%	16,050	30.92%	12,259	1.27%	12,105	3.83%
Total equity and liabilities	48,542	10.45%	43,951	11.75%	39,329	2.65%	38,313	6.24%	36,064	15.38%	31,257	4.24%

Consolidated Statement of Profit or Loss	2026	26 vs 25	2025	25 vs 24	2024	24 vs 23	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20
	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%
INCOME												
Income from operations												
Markup on finance leases	1,387	-23.20%	1,806	-35.13%	2,784	-3.37%	2,881	27.87%	2,253	1.53%	2,219	-24.34%
Mark-up on loans and finances	5,345	1.65%	5,258	0.27%	5,244	36.17%	3,851	87.85%	2,050	54.48%	1,327	-4.05%
	6,732	-4.70%	7,064	-12.01%	8,028	19.25%	6,732	56.45%	4,303	21.35%	3,546	-17.84%
Income from other activities												
Other income - net	1,276	-25.34%	1,709	-12.90%	1,962	6.17%	1,848	12.07%	1,649	-10.67%	1,846	-14.58%
Share of profit from associate - net of tax	129	-16.23%	154	10.00%	140	18.64%	118	84.38%	64	77.78%	36	24.14%
	1,405	-24.58%	1,863	-11.37%	2,102	6.92%	1,966	14.77%	1,713	-8.98%	1,882	-14.06%
Total Income	8,137	-8.85%	8,927	-11.88%	10,130	16.46%	8,698	44.58%	6,016	10.83%	5,428	-16.57%
EXPENSES												
Finance cost	3,395	-17.48%	4,114	-17.19%	4,968	24.73%	3,983	79.90%	2,214	45.37%	1,523	-37.68%
Administrative and general expenses	2,014	1.26%	1,989	5.07%	1,893	11.81%	1,693	13.70%	1,489	9.81%	1,356	1.04%
Direct cost	268	-39.09%	440	-18.52%	540	-24.79%	718	-17.47%	870	-22.53%	1,123	-14.80%
	5,677	-13.24%	6,543	-11.59%	7,401	15.75%	6,394	39.82%	4,573	14.27%	4,002	-21.59%
Profit before provision and taxation	2,460	3.19%	2,384	-12.64%	2,729	18.45%	2,304	59.67%	1,443	1.19%	1,426	1.71%
Reversal of expected credit loss / provision against leases, loans and finances - net	25	-125.25%	(99)	90.38%	(52)	-161.18%	85	-232.81%	(64)	-740.00%	10	-96.89%
Other provision - net	48	-69.62%	158	-36.80%	250	354.55%	55	48.65%	37	164.29%	14	-17.65%
	73	23.73%	59	-70.20%	198	41.43%	140	-618.52%	(27)	-212.50%	24	-92.92%
Profit before income taxes and levy	2,387	2.67%	2,325	-8.14%	2,531	16.96%	2,164	47.21%	1,470	4.85%	1,402	31.89%
Taxation	910	5.08%	866	-10.72%	970	10.73%	876	63.43%	536	45.26%	369	36.16%
Profit from continuing operations	1,477	1.23%	1,459	-6.53%	1,561	21.20%	1,288	37.90%	934	-9.58%	1,033	30.43%
Discontinued Operations												
Loss from discontinued operations - net of tax	-	-100.00%	(17)	6.25%	(16)	0.00%	-	0.00%	-	0.00%	-	0.00%
Profit for the year	1,477	2.43%	1,442	-6.67%	1,545	19.95%	1,288	37.90%	934	-9.58%	1,033	30.43%



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

INDEPENDENT AUDITOR'S REPORT

To the members of OLP Financial Services Pakistan Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of OLP Financial Services Pakistan Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2026, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2026 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matter

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



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Following is the Key Audit Matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	Allowance for Expected Credit Loss (ECL) against Loans and finances and Net investment in finance lease (Refer notes 3.6, 3.10, 8, 9, 13, 14 and 38 to the consolidated financial statements)	
	As at 30 June 2026, the Group maintained allowance for ECL of Rs 744.033 million under the requirements of accounting and reporting standards as applicable in Pakistan against net investment in finance lease, loans and finances and has recognized a gross charge of Rs 229.48 million and gross reversal of Rs 204.01 million during the year. The Group recognises allowance for ECL against net investment finance lease and loans and finances under the requirements of IFRS 9. The simplified approach is used for determination of allowance for ECL in respect of net investment in finance lease. Under this approach, lifetime ECL is measured by grouping financial assets according to the number of days they are past due. The general approach is used to determine allowance for ECL. Under this approach, a lifetime ECL is recognized for loans and finances that have experienced a significant increase in credit risk (SICR) since initial recognition, as well as for those that are credit-impaired as of the reporting date. A 12-month ECL is	Our audit procedures in this area included, among others: • Obtaining an understanding of the relevant controls established by the Company over the ECL process to identify loss events and for determining the extent of allowance for ECL required against Loans and finances and Net investment in finance lease balances. • We performed the following procedures: - 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. • Assessing the relevance and completeness of the key inputs into the allowance for ECL calculations.



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

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

Management is responsible for the other information. The other information comprises of Review Report by the Chairman and Directors' Report but does not include the unconsolidated financial statements, consolidated financial statements and our auditor's reports thereon.

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



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

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

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

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

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

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

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

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

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



KPMG Taseer Hadi & Co.

- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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



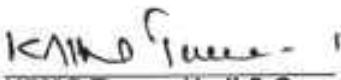
KPMG Taseer Hadi & Co.

The engagement partner on the audit resulting in this independent auditor's report is **Mr. Muhammad Taufiq**.

Date: 24 September 2026

Karachi

UDIN: AR202610106aBE13cVrS


KPMG Taseer Hadi & Co.
Chartered Accountants

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2026

	Note	2026	2025
----- Rupees -----			
ASSETS			
Non-current assets			
Property and equipment	5	1,697,644,808	1,412,534,884
Ijarah assets	6	324,023,149	736,741,555
Intangible assets	7	66,502,178	28,351,799
Net investment in finance lease	8	3,560,511,416	3,725,705,505
Long-term loans and finances	9	17,706,674,203	15,725,450,417
Investment in associate	10	1,753,135,634	1,775,618,949
Long-term investments	11	25,721,833	22,095,195
Long-term deposits		11,550,693	11,120,680
Defined benefit plan asset - net	12	55,048,823	64,305,578
		25,200,812,737	23,501,924,562
Current assets			
Short-term finances	13	817,783	5,105,107
Current maturity of non-current assets	14	18,777,069,906	16,353,720,904
Short-term investments	15	2,862,480,714	2,342,693,585
Advances and prepayments	16	209,145,696	292,925,478
Other receivables	17	588,637,087	550,615,859
Cash and bank balances	18	898,648,338	892,033,218
Assets classified as held for sale	19	4,700,000	12,356,661
		23,341,499,524	20,449,450,812
Total assets		48,542,312,261	43,951,375,374
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital 350,000,000 (2025: 350,000,000) ordinary shares of Rs. 10 each		3,500,000,000	3,500,000,000
Issued, subscribed and paid-up share capital	20	1,754,076,470	1,754,076,470
Capital Reserves			
Surplus on revaluation of leasehold land and office building	21	1,045,532,523	874,562,239
Other reserves		4,225,273,344	4,159,610,322
		5,270,805,867	5,034,172,561
Revenue Reserve		4,472,120,778	4,129,356,428
Total equity attributable to equity holders of the Holding Company		11,497,003,115	10,917,605,459
Non-controlling interest	54	1,111,599,697	1,073,802,734
Total equity		12,608,602,812	11,991,408,193
Non-current liabilities			
Long-term finances	22	13,286,556,144	11,654,034,351
Long-term certificates of deposit	23	90,538,332	761,612,246
Long-term deposits	24	71,570,352	147,484,426
Deferred taxation	25	789,144,254	708,087,182
Lease liabilities	26	283,972,584	142,161,554
Redeemable capital	27	1,639,005,000	102,100,000
		16,160,786,666	13,515,479,759
Current liabilities			
Accrued and other liabilities	28	2,771,218,278	1,835,867,636
Unclaimed dividend		123,980,490	96,745,256
Short-term borrowings	29	1,674,711,726	2,073,380,343
Short-term certificates of deposit	30	2,329,783,320	2,106,150,587
Current maturity of non-current liabilities	31	12,714,419,890	12,104,554,489
Taxation - net		158,809,079	226,528,398
Liabilities directly associated with the assets held for sale	19	-	1,260,713
		19,772,922,783	18,444,487,422
Total equity and liabilities		48,542,312,261	43,951,375,374
Contingencies and commitments	32		

The annexed notes 1 to 57 form an integral part of these consolidated financial statements.



Shaheen Amin
Chief Executive Officer



Ramon Alfrey
Director



Abid Hussain Awan
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the Year Ended June 30, 2026

	Note	2026	2025
Rupees			
INCOME			
Continuing Operations			
Income from operations			
Markup on finance leases		1,386,928,923	1,806,382,690
Mark-up on loans and finances		5,344,854,192	5,257,441,030
Ijarah finance income		337,363,707	621,973,941
		7,069,146,822	7,685,797,661
Income from other activities			
Other income - net	33	938,714,711	1,087,193,747
Share of profit from associate - net of tax	34	129,223,583	154,255,506
		1,067,938,294	1,241,449,253
		8,137,085,116	8,927,246,914
EXPENSES			
Finance cost	35	(3,395,344,440)	(4,113,639,106)
Administrative and general expenses	36	(2,014,319,944)	(1,989,072,048)
Direct cost	37	(267,399,042)	(440,615,462)
		(5,677,063,426)	(6,543,326,616)
Profit before expected credit loss, provision, income tax and levy		2,460,021,690	2,383,920,298
Expected credit loss / reversal of expected credit loss against leases, loans and finances - net	38	(25,470,990)	99,488,135
Other provision - net	39	(47,999,601)	(158,261,329)
		73,470,591	58,773,194
Profit before income tax and levy		2,386,551,099	2,325,147,104
Levy - final taxes		(22,084,868)	(24,314,911)
Profit before income tax		2,364,466,231	2,300,832,193
Income tax	41	(887,560,456)	(840,935,212)
Profit from continuing operations		1,476,905,775	1,459,896,981
Discontinued Operations			
Gain / (loss) from discontinued operations - net of tax	53	24,223	(17,445,692)
Profit for the year		1,476,929,998	1,442,451,289
Profit for the year after taxation attributable to:			
Equity holders of the Holding Company		1,348,365,975	1,303,189,813
Non-controlling interest		128,564,023	139,261,476
		1,476,929,998	1,442,451,289
Earnings per share - basic and diluted	52	7.69	7.43
Earnings per share - continuing operations - basic and diluted	52	7.69	7.53

The annexed notes 1 to 57 form an integral part of these consolidated financial statements.



Shaheen Amin
Chief Executive Officer



Ramon Alfrey
Director



Abid Hussain Awan
Chief Financial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended June 30, 2026

	Note	2026	2025
----- Rupees -----			
Profit for the year after taxation attributable to:			
Equity holders of the Holding Company		1,348,365,975	1,303,189,813
Non-controlling interest		128,564,023	139,261,476
		1,476,929,998	1,442,451,289
Other comprehensive income			
Items that may be subsequently reclassified to the consolidated statement of profit or loss			
- Exchange (loss) / gain arising on translation of a foreign associate	10.1.3	(38,416,023)	36,120,045
- Deferred tax on exchange (loss) / gain arising on translation of foreign associates		34,976,558	(14,086,818)
		(3,439,465)	22,033,227
Items that will not be subsequently reclassified to the consolidated statement of profit or loss			
- Surplus on revaluation of leasehold land and office building	21	230,070,404	-
- Deferred tax on surplus on revaluation of office building	21	(33,126,289)	-
		196,944,115	-
- Fair value change on remeasurement of financial assets - net of deferred tax		3,626,638	23,718,250
- Deferred tax on fair value changes on remeasurement of financial assets		(1,209,924)	(9,250,118)
		2,416,714	14,468,132
- Remeasurement (loss) / gain on defined benefit obligation - staff gratuity	12.4	(5,276,158)	42,515,097
- Share of other comprehensive income / (loss) from associate	10.1.3	8,140,528	(882,793)
- Deferred tax on share of other comprehensive income / (loss) from associate		(3,011,994)	344,289
		5,128,534	(538,504)
Total comprehensive income for the year		1,672,703,738	1,520,929,241
Total comprehensive income for the year attributable to:			
Equity holders of the Holding Company		1,544,139,715	1,381,667,765
Non-controlling interest		128,564,023	139,261,476
		1,672,703,738	1,520,929,241

The annexed notes 1 to 57 form an integral part of these consolidated financial statements.



Shaheen Amin
Chief Executive Officer



Ramon Alfrey
Director



Abid Hussain Awan
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2026

	Note	2026	2025
----- Rupees -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit before working capital changes	42	5,782,571,617	6,148,342,505
(Increase) / decrease in operating assets			
Investment in finance lease - net		539,465,506	1,238,056,619
Long-term loans and finances - net		(4,805,887,402)	(6,234,445,393)
Short-term finances		5,859,530	28,050,346
Long-term deposits		(430,013)	173,886
Advances and prepayments		151,130,685	27,210,371
Other receivables		(92,157,620)	(77,441,329)
		(4,202,019,314)	(5,018,395,500)
Increase / (decrease) in operating liabilities			
Deposits from lessee - net		(144,293,376)	(121,680,750)
Other long term liabilities - net		(314,744,539)	(859,509,571)
Accrued and other liabilities		916,984,809	(356,175,994)
		457,946,894	(1,337,366,315)
		2,038,499,197	(207,419,310)
Payment against staff retirement benefits		(11,941,790)	(20,301,804)
Finance cost paid		(2,536,969,168)	(2,826,818,410)
Profit paid on redeemable capital		(491,019,277)	(742,343,325)
Income tax paid		(894,546,367)	(780,338,790)
Net cash used in operating activities		(1,895,977,405)	(4,577,221,639)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred - property and equipment for own use and intangible assets		(73,253,080)	(175,215,215)
Capital expenditure incurred - ijarah assets		(18,831,420)	(469,968,805)
Proceeds from disposal of property and equipment - own use		30,359,751	54,992,285
Proceeds from disposal of ijarah finance assets		213,534,207	641,568,761
Investments - net		(492,882,397)	702,423,342
Dividend received		146,197,931	169,095,553
Interest received		272,047,726	427,920,936
Net cash generated from investing activities		77,172,718	1,350,816,857
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term finances		10,500,000,000	10,856,778,716
Repayment of long-term finances		(6,885,214,860)	(5,814,939,100)
Redeemable capital less repayments		(242,561,097)	1,345,920,000
Certificates of deposit - net		14,535,946	(2,365,622,842)
Payment of lease liability against right-of-use assets		(93,653,111)	(69,822,069)
Dividend paid		(1,070,775,650)	(964,261,449)
Net cash generated from financing activities		2,222,331,228	2,988,053,256
Net increase / (decrease) in cash and cash equivalents during the year		403,526,541	(238,351,526)
Cash and cash equivalents at the beginning of the year		(1,130,282,837)	(891,931,311)
Cash and cash equivalents at the end of the year	43	(726,756,296)	(1,130,282,837)

The annexed notes 1 to 57 form an integral part of these consolidated financial statements.



Shaheen Amin
Chief Executive Officer



Ramon Alfrey
Director



Abid Hussain Awan
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended June 30, 2026

	Attributable to equity holders of the Holding Company							Non-controlling Interest	Total Shareholder's equity	
Issued, subscribed and paid-up share capital	Reserves									
	Capital reserves					Revenue reserve	Total reserves			
	Share premium	Statutory reserve (note 20.2)	Foreign currency translation reserve	Net surplus / (deficit) on re-measurement of financial assets at fair value through OCI	Surplus on revaluation of leasehold land and office building (note 21)	Unappropriated profit				
----- (Rupees) -----										
Balance as at July 1, 2024	1,754,076,470	1,501,683,073	1,957,234,499	611,177,389	2,234,530	898,306,747	3,688,263,221	8,658,899,459	1,007,154,906	11,420,130,835
Total comprehensive income for year ended June 30, 2025										
Profit for the year	-	-	-	-	-	-	1,303,189,813	1,303,189,813	139,261,476	1,442,451,289
Other comprehensive income	-	-	-	22,033,227	14,468,132	-	41,976,593	78,477,952	-	78,477,952
Total comprehensive income for the year	-	-	-	22,033,227	14,468,132	-	1,345,166,406	1,381,667,765	139,261,476	1,520,929,241
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation										
	-	-	-	-	-	(29,729,376)	29,729,376	-	-	-
Deferred tax on transfer of surplus on revaluation of property and equipment on account of incremental depreciation	-	-	-	-	-	5,984,868	(5,984,868)	-	-	-
	-	-	-	-	-	(23,744,508)	23,744,508	-	-	-
Transfer to statutory reserve	-	-	61,273,552	-	-	-	(61,273,552)	-	-	-
Transferred from deficit on revaluation of financial asset at FVOCI on disposal of investment - net of tax										
	-	-	-	-	(10,494,080)	-	10,494,080	-	-	-
Transactions with owners recorded directly in equity										
Contributions and distributions										
- Final cash dividend @ Rs.3 per ordinary share of Rs. 10.00 each for the year ended June 30, 2024	-	-	-	-	-	-	(526,222,941)	(526,222,941)	-	(526,222,941)
- Interim cash dividend @ Rs.2 per ordinary share of Rs. 10.00 each for the year ended June 30, 2025	-	-	-	-	-	-	(350,815,294)	(350,815,294)	-	(350,815,294)
- Profit distribution for the year ended June 30, 2024 @ Rs. 2 per certificate	-	-	-	-	-	-	-	-	(72,613,648)	(72,613,648)
	-	-	-	-	-	-	(877,038,235)	(877,038,235)	(72,613,648)	(949,651,883)
Balance as at July 1, 2025	1,754,076,470	1,501,683,073	2,018,508,051	633,210,616	6,208,582	874,562,239	4,129,356,428	9,163,528,989	1,073,802,734	11,991,408,193
Total comprehensive income for year ended June 30, 2026										
Profit for the year	-	-	-	-	-	-	1,348,365,975	1,348,365,975	128,564,023	1,476,929,998
Other comprehensive (loss) / income	-	-	-	(3,439,465)	2,416,714	196,944,115	(147,624)	195,773,740	-	195,773,740
Total comprehensive (loss) / income for the year	-	-	-	(3,439,465)	2,416,714	196,944,115	1,348,218,351	1,544,139,715	128,564,023	1,672,703,738
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation										
	-	-	-	-	-	(29,729,376)	29,729,376	-	-	-
Deferred tax on transfer of surplus on revaluation of property and equipment on account of incremental depreciation	-	-	-	-	-	3,755,545	(3,755,545)	-	-	-
	-	-	-	-	-	(25,973,831)	25,973,831	-	-	-
Transfer to statutory reserve	-	-	66,685,773	-	-	-	(66,685,773)	-	-	-
Transferred from deficit on revaluation of financial asset at FVOCI on disposal of investment - net of tax										
	-	-	-	-	-	-	-	-	-	-
Transactions with owners recorded directly in equity										
Contributions and distributions										
- Final cash dividend @ Rs. 3.5 per ordinary share of Rs. 10.00 each for the year ended June 30, 2025	-	-	-	-	-	-	(613,926,765)	(613,926,765)	-	(613,926,765)
- Interim cash dividend @ Rs. 2 per ordinary share of Rs. 10.00 each for the year ended June 30, 2026	-	-	-	-	-	-	(350,815,294)	(350,815,294)	-	(350,815,294)
- Profit distribution for the year ended June 30, 2025 @ Rs. 2.5 per certificate	-	-	-	-	-	-	-	-	(90,767,060)	(90,767,060)
	-	-	-	-	-	-	(964,742,059)	(964,742,059)	(90,767,060)	(1,055,509,119)
Balance as at June 30, 2026	1,754,076,470	1,501,683,073	2,085,193,824	629,771,151	8,625,296	1,045,532,523	4,472,120,778	9,742,926,645	1,111,599,697	12,608,602,812

The annexed notes 1 to 57 form an integral part of these consolidated financial statements.



Shaheen Amin
Chief Executive Officer



Ramon Alfrey
Director



Abid Hussain Awan
Chief Financial Officer

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

1 LEGAL STATUS AND OPERATIONS

The "Group" consists of:

- (i) OLP Financial Services Pakistan Limited - the Holding Company;
- (ii) OLP Services Pakistan (Private) Limited - subsidiary company; and
- (iii) OLP Modaraba - subsidiary company.

1.1 Holding company

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

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

VIS Credit Rating Company Limited has assigned a long-term rating of AAA and a short-term rating of A1+ to the Company on September 11, 2026.

1.2 Subsidiary companies

1.2.1 OLP Services Pakistan (Private) Limited - 100% holding

OLP Services Pakistan (Private) Limited ("the Management Company") was incorporated as a private limited company on February 25, 1957 under the then applicable Companies Act, 1913 (now the Companies Act, 2017). Subsequently, it was registered as a Modaraba Management Company with the Registrar of Modaraba Companies and Modarabas under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980.

The principal activity of the Management Company is to engage in the business of floatation of Modarabas and to function as a Modaraba Management Company within the meaning of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980. Presently, the Management Company manages only OLP Modaraba. The registered office of the Management Company is situated at 6th Floor, Syedna Tahir Saif-ud-din Trust Building, Beaumont Road, Civil Lines, Karachi, Pakistan.

On June 20, 2016, the Holding Company acquired 100% shareholding (4,450,000 shares) of the Management Company. The Holding Company continues to hold 100% shares in the Management Company till date.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

1.2.2 OLP Modaraba - 20% effective holding

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

The Modaraba is operated through a head office in Karachi and two branches each which are located in Lahore and Islamabad. The head office is placed separately within the premises of the Management Company. In Lahore, the branch office is situated at 602-B, 6th Floor, City Towers, Gulberg-II whereas in Islamabad, the branch address is Ground Floor, Phase 1, State Life Building No. 5, Nazimuddin Road, Blue Area.

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned long term rating of AA (2025: AA) and short term rating of A1 + (2025: A1 +) to the Modaraba on February 27, 2026 (2025: February 28, 2025).

On June 21, 2016, the Holding Company acquired 10% certificate holding (4,538,353 certificates) in the Modaraba. Since the Holding Company had acquired 100% shareholding in the Management Company as mentioned in note 1.2.1 above, therefore the Holding Company has substantive decision-making authority over OLP Modaraba's key operating and financial policies. OSPPL is entitled to a management fee (including variable returns). There are no substantive removable rights held by any other single party and the remaining holding is also dispersed and passive in nature due to free float to general public. Accordingly, the Modaraba became a subsidiary of the Holding Company in view of the control which the Holding Company exercised through its fully owned Management Company and an effective holding of 20% in the certificates of Modaraba by the Holding Company collectively with the Management Company. Subsequent to the acquisition, the Modaraba has been renamed as OLP Modaraba.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Modaraba Regulations 2021;
- Provisions of and directives issued under the Companies Act, 2017;
- Provisions of directives and notification issued by the Securities and Exchange Commission of Pakistan (SECP) under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Companies Act, 2017; and
- Provisions of and directives issued under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Whenever the requirements of the Companies Act, 2017, the Islamic Financial Accounting Standards (IFAS), the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981, the Modaraba Regulations, 2021, or the directives and notifications issued by the Securities and Exchange Commission of Pakistan (SECP), as applicable, differ from the requirements of IFRS Accounting Standards, the applicable requirements of the Companies Act, 2017, IFAS, the NBFC Rules, the NBFC Regulations, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981, the Modaraba Regulations, 2021, and the said directives and notifications shall prevail.

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

- Muj'ir (lessors) presents the assets subject to Ijarah in their statement of financial position according to the nature of the asset. The Mustajir is required to distinguish these Ijarah assets from the assets in own use.
- Costs, including depreciation on the assets given on Ijarah, incurred in earning the Ijarah income are recognised as expenses.
- Ijarah income is recognised in income on an accrual basis as and when the rental becomes due, unless another systematic basis is more representative of the time pattern in which the benefit of the use derived from the leased asset is diminished.

2.3 Basis of measurement

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

- Leasehold land and building are stated at revalued amounts;
- Right-of-use assets and related lease liabilities measure at present value;
- Certain investments are stated at fair value; and
- Obligation in respect of staff gratuity is measured at present value of the defined benefit obligation.

2.4 Functional and presentation currency

These consolidated financial statements are presented in Pakistan Rupee, which is the Group's functional and presentation currency.

2.5 Use of Judgement and Estimates

The preparation of consolidated financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both the current and future years. The areas where various assumptions and estimates are significant to the Group's financial statements or where judgments were exercised in the application of accounting policies are as follows:

- (a) determination of the depreciation method, residual values and useful lives of property and equipment (notes 3.4 and 5);
- (b) determination of amortisation rates for intangible assets (notes 3.5 and 7);
- (c) determination of expected credit loss / provision against lease and loans (notes 3.10.5, 38 and 39);
- (d) determination of classification, valuation and impairment of financial assets (notes 3.10, 15 and 39);
- (e) classification of investment in associate (note 10)
- (f) classification and valuation of assets classified as held for sale (notes 3.7 and 19);
- (g) recognition for taxation and deferred tax (notes 3.16, 25 and 41);
- (h) accounting for defined benefit obligation (notes 3.17 and 12); and
- (i) impairment of non-financial assets (notes 3.9).
- (j) valuation for defined benefit obligation (notes 3.17 and 12);
- (k) valuation of leasehold land and office building (notes 3.4.1 and 21);
- (l) contingencies (note 3.15, 32 & 39.3).

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

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

2.6.1 There are certain other amendments to the published accounting and reporting standards that are mandatory for the Group's annual accounting period beginning on July 1, 2025. However, these are not considered to be relevant or do not have any material effect on the Group's financial statements and hence, therefore, have not been disclosed in these consolidated financial statements.

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

The following accounting and reporting standards as applicable in Pakistan and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 01, 2026:

	Effective date (accounting periods beginning on or after)
Standards and amendments	
i) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures:	January 01, 2026
ii) Annual Improvements to IFRS Accounting Standards – Amendments to:	
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;	January 01, 2026
- IFRS 9 Financial Instruments;	
- IFRS 10 Consolidated Financial Statements; and	
- IAS 7 Statement of Cash flows.	
iii) Contracts Referencing Nature-dependent Electricity - (Amendments to IFRS 9 and IFRS 7)	January 01, 2026
iv) Hyperinflationary presentation currency - (Amendments to IAS 21)	January 01, 2027
v) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Not yet decided
vi) IFRS 18 Presentation and Disclosure in Financial Statements	January 01, 2027
vii) IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 - Climate-related Disclosures*	December 31, 2026

* The Group formally falls under Phase III (effective July 01, 2027).

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented in these consolidated financial statements, except as disclosed in note 4.

3.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Holding Company and its subsidiary companies. The financial statements of subsidiaries are prepared for the same reporting period as the Holding Company, using accounting policies that are consistent with those of the Holding Company.

3.1.1 Business combinations

The Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

3.1.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

3.1.3 Non-controlling interests

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.1.4 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

3.1.5 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign Associate

Accounting policy of associates is included in note 3.8.

3.3 Foreign Operation

Accounting policy of foreign operation is included in note 3.18.

3.4 Property and equipment

3.4.1 Own use and capital work in progress

Recognition and measurement

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

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation

Depreciation is charged using the straight line method over the estimated useful lives of assets, at the rates specified in note 5.1 to these consolidated financial statements after taking into account residual values if significant. The carrying value of leasehold land is amortised over its lease term. Depreciation on additions during the year is charged from the date on which the asset is put to use, whereas no depreciation is charged from the date the asset is disposed off.

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

Revaluation surplus

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

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

Disposal

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

Useful life / Residual values

Assets having an indefinite useful life are stated at acquisition cost less accumulated impairment losses, if any.

The residual values, useful lives and methods of depreciation of assets are reviewed and adjusted, if appropriate, at each reporting date.

Capital work-in-progress

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

3.4.2 Ijarah assets

Assets leased out under ijarah arrangements are recorded as ijarah assets and are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Modaraba and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss as and when incurred. The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

Depreciation is charged to the statement of profit and loss applying the straight line method whereby the cost of an asset less residual value is depreciated over the estimated useful life of the asset. Depreciation is charged on pro-rate basis from the date the asset is available for use till date of maturity / termination. In respect of additions and disposals during the year, depreciation is charged proportionately from the date of delivery of assets to the date of its maturity / termination.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the consolidated statement of profit and loss, in the year in which these arise.

3.4.3 Lease liability and right-of-use asset

As a lessee

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

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

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

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

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

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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

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

Short-term leases and leases of low-value assets

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

3.5 Intangible assets

Recognition and measurement

i) Research and development

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

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

Subsequent expenditure

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

Amortisation

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

Others

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

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

3.6 Net investment in finance lease

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

3.7 Assets classified as held for sale

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

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

3.8 Interests in equity-accounted investees

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

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

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

3.9 Impairment of non-financial assets

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

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

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

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.10 Financial assets and financial liabilities

3.10.1 Recognition and initial measurement

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

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

3.10.2 Classification

Financial assets

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

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

- i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

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

- i) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

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

All other financial assets are classified as measured at FVTPL.

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

Business model assessment

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

- i) the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- ii) how the performance of the portfolio is evaluated and reported to the Group's management;
- iii) the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- iv) how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- v) the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

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

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

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

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

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

Reclassifications

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

3.10.3 Derecognition

Financial assets

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

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

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

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

3.10.4 Offsetting

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

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3.10.5 Impairment

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

- net investment in lease;
- loans and finances;
- Diminishing musharika; and
- Ijarah finance.

No impairment loss is recognised on equity investments.

The Group applies IFRS 9 simplified approach for leases and general approach for loans, Ijarah finance and diminishing musharika (loans) respectively to determine ECL.

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

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

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

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

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

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

Measurement of ECL

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

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

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

- financial assets other than lease receivables: the original effective interest rate or an approximation thereof;
- lease receivables: the discount rate used in measuring the lease receivable;

Significant Increase in Credit Risk (SICR)

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

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

Credit-impaired financial assets

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

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

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

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

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

- Probability of Default (PD): Probability represents the likelihood that a counterparty will default within the next 12 months (12-month ECL, Stage 1) or over the remaining lifetime of the financial instrument (lifetime ECL, Stage 2). The company employs a Roll Rate/Transition Matrix model to analyze monthly migration of obligors across Days Past Due (DPD) buckets, defined in 30-day intervals, based on historical data. These through-the-cycle PDs are then adjusted to point-in-time PDs using the Vasicek Distribution Framework, which incorporates forward-looking macroeconomic variables.
- Exposure at Default (EAD): The outstanding principal and accrued markup as of the reporting date, with repayment schedules generated to estimate exposure over the contractual life of each facility. For assets in Stage 1, EAD is limited to the next 12 months unless a significant increase in credit risk (SICR) is identified, in which case lifetime EAD is considered.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

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

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

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

3.10.6 Regular way contracts

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

3.10.7 Reclassifications

The Group reclassifies financial assets when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting year following the change. Such changes are expected to be very infrequent and none occurred during the year.

3.10.8 Write-offs

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

Recoveries of amounts previously written off are recognised when cash is received and are included in 'Allowance of ECL on financial instruments' in the consolidated statement of profit or loss. A financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3.11 Financial liabilities

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

Financial liabilities are subsequently measured at amortised cost except for:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities arising from the transfer of financial assets which do not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

3.11.1 Derecognition

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

3.12 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

Certificate of deposits, borrowings, finances, loans and their costs

These are initially recognised at cost being the fair value of consideration received. Subsequently, these are carried at amortised cost using the effective interest method.

Costs in respect of above are recognised as an expense in the year in which these are incurred using the effective interest method.

Transaction costs, if any, are amortised over the period of agreement using the effective interest method.

3.13 Redeemable capital

The Modaraba offers only one deposit product, "Certificates of Musharika (COM)" under a scheme duly approved by the Securities and Exchange Commission of Pakistan vide its letter no.7(04) Reg-Mod/95-449 dated April 4, 1995. The Scheme of COM has been formulated under the parameters laid down for this purpose by the Securities and Exchange Commission of Pakistan ("SECP") in its "Guidelines for Issue of Certificates of Musharika for Modarabas" (the "Guidelines") issued on September 7, 1994.

As per the requirements of the Guidelines, the scheme of COM is based on the concept of "Musharika". Hence, it is classified as redeemable capital. The salient features of the COM are as follows:

- This is a return based certificate wherein a deposit is placed with the Modaraba for a definite period of time.
- Total profits after charging all expenses, provisions / impairments and Management Company's remuneration of the Modaraba are shared by the COM holders and the Modaraba in accordance with ratio declared by the Modaraba and accepted by the COM holders. In the absence of such declaration, the total profits shall be shared between the COM holders and the Modaraba in proportion to their contribution in the Funds.
- The amount of profit allocated to the COM holders shall be shared among different categories/tiers of the COM holders on the basis of predetermined weightages announced by the Modaraba at the beginning of each quarter.
- In the event of loss, such loss shall be shared between the COM holders and the Modaraba in proportion to their respective funds.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

3.14 Provisions

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

3.15 Contingent liabilities

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

3.16 Taxation

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

Current

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

Deferred

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

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

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

Levy

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

3.17 Staff retirement benefits

(a) Defined contribution plans

Operated by the Holding Company

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

Operated by the Modaraba

The Modaraba operates a recognised provident fund for all eligible employees and an approved funded defined contributory gratuity scheme for all permanent employees. Gratuity is payable to employees on completion of the prescribed qualifying period of service under the scheme. Contributions to the provident fund and gratuity fund are made at the rate of 10% and 8.33% respectively, of the basic salaries of employees.

Obligation for contribution to defined contribution plans are recognised as an employee benefit expense in the consolidated statement of profit or loss when these are due.

(b) Defined benefit plan

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

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

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

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

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

3.18 Foreign currency transactions

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

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

Foreign operations

The assets and liabilities of foreign operations are translated into PKR at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into PKR at the exchange rates at the dates of the transactions. Foreign currency differences are recognised in OCI and accumulated in the foreign currency translation reserve except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to consolidated statement of profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

3.19 Revenue recognition

3.19.1 Finance leases

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

3.19.2 Operating lease income

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

3.19.3 Ijarah lease income

- The Group follows the finance method for recognising income on ijarah arrangements commencing on or after July 1, 2008. Ijarah rentals are recognised as income on accrual basis, as and when rentals become due. In case of ijarah arrangements with staggered rentals, the income is recognised on a straight line basis over the ijarah term.
- Unearned income in respect of non-remunerative security deposits is recognised on a straight line basis over the lease term. This represents the difference between fair value and transaction price on initial recognition.
- Gains / losses on termination of ijarah contracts are recognised as income / expense as the difference between the proceeds realised from the customers on sale of ijarah assets and the net book value at which such assets are carried at the time of termination.
- Consolidated front end fees are taken to the statement of profit and loss on effective profit rate method.
- Profit / return on deposits / investments is recognised on effective profit rate.
- Income from Shariah non-compliant avenues is not recognised in the statement of profit and loss and is classified as charity payable.

Profit

i. Effective profit rate

Profit income is recognised in consolidated statement of profit or loss under the effective profit rate method.

The 'effective profit rate' is the rate that exactly discounts estimated future cash payments and receipts through the expected life of the financial instrument;

- to the gross carrying amount of the financial asset.
- the amortised cost of the financial liability.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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When calculating the effective profit rate for financial instruments the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

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

ii. Amortised cost and gross carrying amount

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

iii. Calculation of profit income

The effective profit rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating profit income and expense, the effective profit rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability.

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

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

Proposed profit distribution to Modaraba certificate holders and transfers between reserves

Proposed profit distribution and transfers between reserves made subsequent to the reporting date are considered as non-adjusting events and are recognised in the financial statements in the period in which such profit distribution is declared / transfer is made.

3.19.4 Return on investments

- Return on debt securities and deposit accounts is recognised using the effective interest rate method.
- Dividend income from investments is recognised when the Group's right to receive the dividend is established.
- Gain / loss on sale of investments is recognised in the year in which it arises.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

3.19.5 Loans and finances

i. Interest

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

ii. Effective interest rate

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

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

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

iii. Amortised cost and gross carrying amount

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

iv. Calculation of interest income

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

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

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

3.19.6 Diminishing Musharika

It is a form of partnership in which the Modaraba and the customer create co-ownership in the asset by purchasing it jointly. The Modaraba then rents out its share of the asset to customers. Besides the payment of rentals, customer also purchases the asset from the Modaraba in installments. Hence at the end of the tenure, customer becomes sole owner of the asset. Profit on Diminishing Musharika arrangements is recognised under the effective profit rate method based on the outstanding amount as explained in note 3.19.5

3.19.7 Others

Other income is recognised on receipt basis.

3.20 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders, and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, if any.

3.21 Proposed dividend and transfer between reserves

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

3.22 Cash and cash equivalents

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

3.23 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Group's other components. The Group has three primary reporting segments for reporting purpose namely, Finance lease, Finances & Loans and Islamic Finance.

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

3.24 Commitments

Commitments are disclosed in the consolidated financial statements at committed amounts.

3.25 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

4 Revenue recognition on credit-impaired contracts

During the year, the Company obtained an exemption from the Securities and Exchange Commission of Pakistan (SECP) from the requirements of IFRS 9 relating to the recognition of mark-up income on credit-impaired contracts. Under the exemption, the Company is allowed to suspend recognition of mark-up income on credit-impaired contracts until such income is actually realized in cash.

Previously, the Holding Company followed the requirements of IFRS 9, whereby mark-up income on credit-impaired contracts was accrued by applying the effective interest rate to the amortized cost (i.e. principal outstanding less provision).

Accordingly, mark-up income previously recognized by the Holding Company on credit-impaired contracts has been reversed in accordance with the terms of the exemption granted by SECP. As the impact of the change on the consolidated financial statements is immaterial, amounting to Rs. 20.06 million, net of tax, the effect has been recognized in the current year.

The impact relating to June 30, 2025 and prior periods recognized in the current year is as follows:

	(Rupees)
Decrease in mark-up income, ijarah and diminishing musharika. on loans and leases - net	(42,069,372)
Expected credit loss / provision for lease, loans and finances - net	4,027,352
	(38,042,020)
Taxation	17,977,722
	(20,064,298)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

5 PROPERTY AND EQUIPMENT

Note	2026	2025
	----- Rupees -----	
Property and equipment - own use	1,392,111,531	1,243,441,668
Right-of-use assets	305,533,277	169,093,216
	<u>1,697,644,808</u>	<u>1,412,534,884</u>

5.1 Property and equipment - own use

	2026							
	Leasehold land	Office building	Leasehold improvements	Furniture, fittings and office equipment	Vehicles	Computers and accessories	Machinery	Total
	----- Rupees -----							
As at July 01, 2025								
Cost / revalued amount	900,015,000	134,294,300	207,587,275	206,737,434	231,237,737	119,208,493	16,111,713	1,815,191,952
Accumulated depreciation	(29,987,928)	(38,369,808)	(180,862,481)	(171,637,403)	(42,943,308)	(100,235,475)	(7,713,881)	(571,750,284)
Net book value	870,027,072	95,924,492	26,724,794	35,100,031	188,294,429	18,973,018	8,397,832	1,243,441,668
Year ended June 30, 2026								
Opening net book value	870,027,072	95,924,492	26,724,794	35,100,031	188,294,429	18,973,018	8,397,832	1,243,441,668
Additions	-	-	1,093,375	7,617,442	21,296,422	3,221,600	-	33,228,839
Movement in surplus on assets revalued during the year								
Cost	95,558,000	31,975,800	-	-	-	-	-	127,533,800
Accumulated depreciation	44,981,892	57,554,712	-	-	-	-	-	102,536,604
	140,539,892	89,530,512	-	-	-	-	-	230,070,404
Disposals								
Cost	-	-	-	(7,409,205)	(14,398,519)	(1,960,570)	(16,111,713)	(39,880,007)
Accumulated depreciation	-	-	-	6,752,600	6,581,231	1,960,570	8,318,148	23,612,549
	-	-	-	(656,605)	(7,817,288)	-	(7,793,565)	(16,267,458)
Less: depreciation charge	(14,993,964)	(19,184,904)	(15,533,521)	(13,665,660)	(24,896,289)	(9,483,317)	(604,267)	(98,361,922)
Net book value	995,573,000	166,270,100	12,284,648	28,395,208	176,877,274	12,711,301	-	1,392,111,531
As at June 30, 2026								
Cost / revalued amount	995,573,000	166,270,100	208,680,650	206,945,671	238,135,640	120,469,523	-	1,936,074,584
Less: Accumulated depreciation	-	-	(196,396,002)	(178,550,463)	(61,258,366)	(107,758,222)	-	(543,963,053)
Net book value	995,573,000	166,270,100	12,284,648	28,395,208	176,877,274	12,711,301	-	1,392,111,531
Useful life / rate of depreciation	77 & 99 years	20 years	15% - 33%	15% - 20%	20% - 25%	33%	10%	

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

	2025							
	Leasehold land	Office building	Leasehold improvements	Furniture, fittings and office equipment	Vehicles	Computers and accessories	Machinery	Total
	Rupees							
As at July 01, 2024								
Cost / revalued amount	900,015,000	134,294,300	205,374,877	199,968,500	143,622,201	107,327,674	16,111,713	1,706,714,265
Accumulated depreciation	(14,993,964)	(19,184,904)	(166,145,495)	(161,215,585)	(51,219,884)	(92,956,498)	(6,263,837)	(511,980,167)
Net book value	885,021,036	115,109,396	39,229,382	38,752,915	92,402,317	14,371,176	9,847,876	1,194,734,098
Year ended June 30, 2025								
Opening net book value	885,021,036	115,109,396	39,229,382	38,752,915	92,402,317	14,371,176	9,847,876	1,194,734,098
Additions	-	-	2,953,552	13,437,929	131,478,184	14,281,800	-	162,151,465
Disposals								
Cost	-	-	(741,154)	(6,668,995)	(43,862,648)	(2,400,981)	-	(53,673,778)
Accumulated depreciation	-	-	741,154	6,615,615	24,331,320	2,398,397	-	34,086,486
	-	-	-	(53,380)	(19,531,328)	(2,584)	-	(19,587,292)
Less: depreciation charge	(14,993,964)	(19,184,904)	(15,458,140)	(17,037,433)	(16,054,744)	(9,677,374)	(1,450,044)	(93,856,603)
Net book value	870,027,072	95,924,492	26,724,794	35,100,031	188,294,429	18,973,018	8,397,832	1,243,441,668
As at June 30, 2025								
Cost / revalued amount	900,015,000	134,294,300	207,587,275	206,737,434	231,237,737	119,208,493	16,111,713	1,815,191,952
Less: Accumulated depreciation	(29,987,928)	(38,369,808)	(180,862,481)	(171,637,403)	(42,943,308)	(100,235,475)	(7,713,881)	(571,750,284)
Net book value	870,027,072	95,924,492	26,724,794	35,100,031	188,294,429	18,973,018	8,397,832	1,243,441,668
Useful life / rate of depreciation	77 & 99 years	11.10%	15% - 33%	15% - 20%	20% - 25%	33%	10%	

5.1.1 The leasehold land and building of the Company were revalued by M/s. Surval (Private) Limited (an independent professional valuer) on June 30, 2026 on the basis of professional assessment of the present market values which resulted in an increase in surplus on revaluation by Rs. 230 million. The details are mentioned in note 50.

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

Summary of the fair value as determined by the valuer in June 30, 2026 is as follows:

Address	Market value			Forced sale value
	Land	Building	Total	
	----- Rupees -----			
Plot No. 16, Sector No. 24, Korangi Industrial Area	780,039,000	160,134,400	940,173,400	752,138,720
Plot No. 49, Sector No. 24, Korangi Industrial Area	215,534,000	6,135,700	221,669,700	177,335,760
	995,573,000	166,270,100	1,161,843,100	929,474,480

Particulars of land and building are included in note 5.1.4.

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

2026			
	Cost	Accumulated depreciation	Net book value
----- Rupees -----			
Leasehold land	54,399,300	12,769,790	41,629,510
Office building	76,781,580	61,425,255	15,356,325
	<u>131,180,880</u>	<u>74,195,045</u>	<u>56,985,835</u>
2025			
	Cost	Accumulated depreciation	Net book value
----- Rupees -----			
Leasehold land	54,399,300	12,159,374	42,239,926
Office building	76,781,580	57,586,179	19,195,401
	<u>131,180,880</u>	<u>69,745,553</u>	<u>61,435,327</u>

- 5.1.2** Included in the cost of property and equipment - own use are fully depreciated items which are still in use aggregating to Rs. 376.67 million (2025: Rs. 367.01 million).

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

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

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyers
----- Rupees -----							
Book value not exceeding Rs. 500,000 each							
Furniture, fittings and office equipment	7,409,205	6,752,600	656,605	1,204,347	547,742	Negotiation	Various
Vehicles (various)	9,059,658	5,124,075	3,935,583	11,778,724	7,843,141	Negotiation	Various
Machinery workshop	9,107,605	4,693,521	4,414,084	5,878,882	1,464,798	Negotiation	M/s Suzuki South Punjab (Smc-Pvt) Ltd
Computers and accessories	1,960,570	1,960,570	-	273,278	273,278	Leased	M/s Suzuki South Punjab (Smc-Pvt) Ltd
	27,537,038	18,530,766	9,006,272	19,135,231	10,128,959		
Book value exceeding Rs. 500,000 each							
Vehicles	1,250,000	750,000	500,000	2,333,000	1,833,000	Negotiation	Mr. Muhammad Mohsin Iqbal
Vehicles	1,134,000	571,725	562,275	1,429,746	867,471	Negotiation	Mr. Muhammad Mohsin Iqbal
Vehicles	2,954,861	135,431	2,819,430	2,940,674	121,244	Insurance Claim	M/s EFU General Insurance Company Limited
Machinery workshop	7,004,108	3,624,627	3,379,481	4,521,100	1,141,619	Leased	M/s Suzuki South Punjab (Smc-Pvt) Ltd
	12,342,969	5,081,783	7,261,186	11,224,520	3,963,334		
Total - June 30, 2026	39,880,007	23,612,549	16,267,458	30,359,751	14,092,293		
Total - June 30, 2025	53,673,778	34,086,486	19,587,292	54,992,285	35,404,993		

5.1.4 Particulars of the Group's immovable fixed assets - own use are as follows;

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

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

5.2 Right-of-use assets

Description	2026							
	Cost			Accumulated depreciation			Net book value	Number of years of useful life
	As at July 1, 2025	Additions/ (disposal)	As at June 30, 2026	As at July 1, 2025	Charge for the year / (disposal)	As at June 30, 2026	As at June 30, 2026	
Rupees								
Rental property	300,709,874	203,283,607	503,993,481	131,616,658	66,843,546	198,460,204	305,533,277	3 to 7 years
		-			-			
	300,709,874	203,283,607	503,993,481	131,616,658	66,843,546	198,460,204	305,533,277	
		-			-			

Description	2025							
	Cost			Accumulated depreciation			Net book value	Number of years of useful life
	As at July 1, 2024	Additions/ (disposal)	As at June 30, 2025	As at July 1, 2024	Charge for the year / (disposal)	As at June 30, 2025	As at June 30, 2025	
Rupees								
Rental property	186,334,240	131,208,203	300,709,874	104,096,864	44,699,517	131,616,658	169,093,216	1 to 8.78 years
		(16,832,569)			(17,179,723)			
	186,334,240	131,208,203	300,709,874	104,096,864	44,699,517	131,616,658	169,093,216	
		(16,832,569)			(17,179,723)			

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

6 IJARAH ASSETS

	2026	2025
	Rupees	
Ijarah assets	324,023,149	736,741,555

6.1 Ijarah assets

Description	2026							
	Cost			Accumulated amortisation			Net book value	Number of years of useful life
	As at July 1, 2025	Additions/ (Disposals)	As at June 30, 2026	As at July 1, 2025	Charge for the year/ Disposal	As at June 30, 2026	As at June 30, 2026	
Rupees								
Machinery and generators	1,627,112,734	18,831,420 (932,148,074)	713,796,080	937,311,747	226,481,797 (736,808,652)	426,984,892	286,811,188	2.67 to 4 years
Vehicles	94,563,410	- (43,628,000)	50,935,410	47,622,842	3,136,067 (37,035,460)	13,723,449	37,211,961	3 to 5 years
	1,721,676,144	18,831,420 (975,776,074)	764,731,490	984,934,589	229,617,864 (773,844,112)	440,708,341	324,023,149	

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

Description	2025							Number of years of useful life
	Cost			Accumulated amortisation			Net book value	
	As at July 1, 2024	Additions/ (Disposals)	As at June 30, 2025	As at July 1, 2024	Charge for the year/ Disposal	As at June 30, 2025	As at June 30, 2025	
	Rupees							
Machinery and generators	2,400,056,439	387,968,805	1,627,112,734	1,217,099,271	380,326,351	937,311,747	689,800,987	2.67 to 4 years
		(1,160,912,510)			(660,113,875)			
Vehicles	182,344,410	82,000,000	94,563,410	105,124,664	26,639,846	47,622,842	46,940,568	3 to 5 years
		(169,781,000)			(84,141,668)			
	2,582,400,849	469,968,805	1,721,676,144	1,322,223,935	406,966,197	984,934,589	736,741,555	
		(1,330,693,510)			(744,255,543)			

6.2 The Group has entered into various Ijarah agreements for periods ranging from 0 to 3 years (2025: 1 to 5 years). Security deposits ranging between 0% to 20% (2025: 0% to 43%) are obtained at the time of disbursement. The rate of profit implicit in Ijarah finance ranges between 10.70% to 27.58% (2025: 13.31% to 26.07%) per annum.

6.3 Disposals during the year in respect of Ijarah assets have been made to the lessees as per the contract terms.

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

	Note	2026	2025
		Rupees	
7 INTANGIBLE ASSETS			
Computer software and license	7.1 & 7.4	2,266,299	2,325,702
Goodwill	7.1	13,728,733	13,728,733
Development cost	7.3	50,507,146	12,297,364
		66,502,178	28,351,799

7.1 Following is a statement of intangible assets:

Description	2026							
	Cost			Accumulated depreciation			Net book value	Rate of amortisation / Number of years of useful life
	As at July 1, 2025	Additions/ (disposals)	As at June 30, 2026	As at July 1, 2025	Charge for the year / (disposal)	As at June 30, 2026	As at June 30, 2026	
	Rupees							
Computer software and license	132,457,131	1,814,459	134,271,590	130,131,428	1,873,863	132,005,291	2,266,299	33%
Goodwill	13,728,733	-	13,728,733	-	-	-	13,728,733	Indefinite life
Customer relationship for Ijarah	86,000,000	-	86,000,000	86,000,000	-	86,000,000	-	7 years
	232,185,864	1,814,459	234,000,323	216,131,428	1,873,863	218,005,291	15,995,032	
		-			-			

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

Description	2025							
	Cost			Accumulated depreciation			Net book value	Rate of amortisation / Number of years of useful life
	As at July 1, 2024	Additions/ (disposal)	As at June 30, 2025	As at July 1, 2024	Charge for the year / (disposal)	As at June 30, 2025	As at June 30, 2025	
Rupees								
Computer software and license	131,690,740	766,390	132,457,130	127,241,972	2,889,456	130,131,428	2,325,702	33%
Goodwill	13,728,733	-	13,728,733	-	-	-	13,728,733	Indefinite life
Customer relationship for Ijarah	86,000,000	-	86,000,000	86,000,000	-	86,000,000	-	7 years
	231,419,473	766,390	232,185,863	213,241,972	2,889,456	216,131,428	16,054,435	
		-			-			

7.2 Included in cost of intangible assets are fully amortised items which are still in use aggregating to Rs. 128.23 million (June 30, 2025: Rs. 123.48 million).

7.3 The Company commenced an in-house IT transformation project in January 2025, following the approval of Board of Directors. As of June 30, 2026, the project remains in the development phase, which includes the system's design, development, and testing, and is progressing in accordance with the approved project timeline. The asset is expected to be available for use upon successful completion of the project. Accordingly, the Company has capitalized development expenditures directly engaged in the development activities.

7.4 The amortisation expense of computer software and license and customer relationship for Ijarah for the year has been charged to administrative and general expenses and direct cost respectively.

	Note	2026	2025
8 NET INVESTMENT IN FINANCE LEASE		Rupees	
Instalment contract receivables		9,028,739,505	9,666,715,980
Residual value		4,987,531,033	5,075,446,156
Less: adjustable security deposit	8.1	(4,987,530,533)	(5,075,436,913)
Gross investment in finance lease	8.2	9,028,740,005	9,666,725,223
Less: unearned finance income		(1,639,896,033)	(1,709,036,758)
Present value of investment in finance lease		7,388,843,972	7,957,688,465
Less: provision against leases - non current portion	38.1	(9,079,118)	(10,187,795)
		7,379,764,854	7,947,500,670
Less: current maturity	14	(3,819,253,438)	(4,221,795,165)
		3,560,511,416	3,725,705,505

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

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

8.2 Details of investment in finance lease

Less than one year
More than one year but less than two years
More than two years but less than three years
More than three years but less than four years
More than four years but less than five years

2026		
Gross investment in finance lease	Unearned finance income	Present value of investment in finance lease
Rupees		
4,853,249,806	(1,033,996,368)	3,819,253,438
2,780,015,905	(451,680,873)	2,328,335,032
1,164,858,480	(133,468,591)	1,031,389,889
216,738,050	(19,823,592)	196,914,458
13,877,764	(926,609)	12,951,155
<u>9,028,740,005</u>	<u>(1,639,896,033)</u>	<u>7,388,843,972</u>

Less than one year
More than one year but less than two years
More than two years but less than three years
More than three years but less than four years
More than four years but less than five years

2025		
Gross investment in finance lease	Unearned finance income	Present value of investment in finance lease
Rupees		
5,287,986,068	(1,066,190,903)	4,221,795,165
2,775,494,245	(464,164,281)	2,311,329,964
1,273,080,710	(147,391,624)	1,125,689,086
281,342,090	(28,793,143)	252,548,947
48,822,110	(2,496,807)	46,325,303
<u>9,666,725,223</u>	<u>(1,709,036,758)</u>	<u>7,957,688,465</u>

8.3 The Holding Company's implicit rate of return on leases ranges from 14.80% to 34.00% (June 30, 2025: 12% to 34.00%) per annum. These are secured against leased assets, security deposits averaging 27.37% (June 30, 2025: 25.88%) of the cost of leased assets and personal guarantees.

8.4 Lease rentals received during the year amounted to Rs. 5,462 million (June 30, 2025: Rs. 6,574 million).

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

9	LONG-TERM LOANS AND FINANCES	Note	2026	2025
			Rupees	
	Considered good			
	Loans to key management personnel, other executives and employees - secured			
	Key management personnel - related parties	9.1 & 9.7	38,935,150	40,522,939
	Other executives		138,456,870	156,663,194
		9.2	177,392,020	197,186,133
	Other employees	9.7	44,777,295	54,595,034
			222,169,315	251,781,167
	Others - secured			
	Vehicle finance	9.3	23,125,383,661	18,885,825,659
	Micro finance / small enterprise finance	9.4	872,718	3,091,877
	Term Finance	9.5	1,786,200,269	1,592,788,918
	Musharikah finance	9.6	7,297,514,295	6,888,599,913
	Agri finance	9.8	16,802,271	85,564,183
			32,226,773,214	27,455,870,550
			32,448,942,529	27,707,651,717
	Considered doubtful			
	Others - secured			
	Term finance	9.5	96,931,408	66,308,522
	Vehicle finance	9.3	181,599,140	196,657,266
	Micro finance / small enterprise finance	9.4	8,050,146	8,638,147
	Musharikah finance	9.6	180,476,621	176,817,558
	Agri finance	9.8	21,599,044	18,797,085
			488,656,359	467,218,578
	Less: expected credit loss / provision	38.2	(120,693,152)	(102,377,600)
			367,963,207	364,840,978
	Less: general provision against micro finance	9.9 & 38.2	(4,364)	(15,459)
			32,816,901,372	28,072,477,236
	Accrued return/profit on loans and finances		460,603,087	433,765,581
			33,277,504,459	28,506,242,817
	Less: current maturity			
	Key Management Personnel, other executives and employees		(40,097,238)	(50,687,044)
	Others		(15,530,733,018)	(12,730,105,356)
		14	(15,570,830,256)	(12,780,792,400)
			17,706,674,203	15,725,450,417

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

9.1 Loans to Key Management Personnel

Names	Maximum aggregate balance during the year	Provisions / (write-off)	2026	2025
Rupees				
Mian Faysal Riaz	1,546,457	-	616,028	1,616,524
Mr. Imtiaz Ahmad Chaudhary	2,860,200	-	2,506,297	61,230
Mr. Waqas Ahmad Khwaja	988,631	-	-	1,061,030
Mr. Adnan Ishaq	2,070,996	-	2,019,395	1,700,084
Ms. Aseya Qasim	3,357,809	-	2,285,268	3,449,281
Mr. Fahad Shahzad Memon	6,173,986	-	5,334,414	6,245,574
Mr. Nadeem Amir Ali	13,762,783	-	12,893,133	-
Mr. Muhammad Aslam	2,975,214	-	2,975,214	2,718,015
Mr. Shahzad Rana Younus	998,719	-	852,083	2,067,505
Mr. Rashid Ahmed	905,704	-	-	905,704
Mr. Salman Ali	162,546	-	-	162,546
Mr. Hamid Muhammad Khan	520,891	-	-	520,891
Mr. Umair Alam	2,125,183	-	1,822,878	2,177,065
Mr. Raheel Qamar Ahmad	11,925,151	-	-	11,925,151
Mr. Muhammad Siddique	4,639,326	-	4,513,311	-
Mr. Salwat Ahmad	3,330,697	-	3,117,129	4,695,034
Mr. Muhammad Azhar Waseem	1,217,305	-	-	1,217,305
		-	38,935,150	40,522,939

9.1.1 Loans to the key management personnel include house loan, vehicle loan and personal loan as per the Group's HR policy.

9.2 Movement in loans to key management personnel and other executives

	2026	2025
Rupees		
Opening balance	197,186,133	210,240,123
Disbursements during the year	54,267,844	26,232,243
Amount transfer to prepaid	6,801,287	32,591,616
Unwinding of Staff Loan	6,725,639	7,351,607
Loss on terminated loans	(538,569)	-
Transfer of resigned staff	(22,652,517)	(58,171,881)
Repayments during the year	(64,397,797)	(21,057,575)
Closing balance	177,392,020	197,186,133

9.3 These represent vehicle financing facilities provided to individual and corporate customers on mark-up basis. The mark-up on these finances ranges from 14.64% to 34.00% (June 30, 2025: 15.24% to 35.00%) per annum. These finances are repayable within a period of upto 6 years (June 30, 2025: upto 5 years) and are secured against charge over vehicles and personal guarantees.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

- 9.4** These represent long-term micro finance facilities provided to individuals on mark-up basis. The mark-up on these loans ranges from 30.00% to 35.00% (June 30, 2025: 22.00% to 44.80%) per annum. These finances are repayable within a period of 1.25 to 2 years (June 30, 2025: 1.25 to 2 years) and are secured against personal guarantees.
- 9.5** These represent term finance facilities provided to commercial business customers on mark-up basis. The mark-up on these finances ranges from 18.71% to 19.17% (June 30, 2025: 15.21% to 24.00%) per annum. These finances are repayable within a period of upto 4 years (June 30, 2025: upto 4 years) and are secured against business assets. Additional collateral in form of property mortgage and personal guarantees are also obtained.
- 9.6** These represent musharikah finance facilities provided to customers. The profit rate on these finances ranges from 12.85% to 28.64% (June 30, 2025: 12.81% to 26.19%) per annum. The facilities have a repayment term of 3 to 5 years (June 30, 2025: 3 to 5 years) and are secured by assets subject to musharikah agreement.
- 9.7** These represent loans given to staff in accordance with the terms of the Company's HR policy and include house loans which are repayable within a period of 20 years or retirement date, whichever is earlier. House loans are secured against equitable mortgage on the property by deposit of title documents of the property with the Company and carry mark-up rate ranging from 4% to 6.77% (June 30, 2025: 4% to 17.73%) per annum.
- Loans (other than house loans) carry mark-up rates ranging from 5% to 23.55% (June 30, 2025: 5.00% to 23.55%) per annum. These are secured against retirement benefits and are repayable within a period of five years.
- Maximum amount outstanding at the end of any month during the year against loans to key management personnel and executives was Rs. 254.26 million (June 30, 2025: Rs. 297.86 million).
- 9.8** These represent long-term finance facilities provided to farmers on mark-up basis. The rates of return on these loans range from 21.00% to 35.00% (June 30, 2025: 15.00% to 35.00%) per annum. These loans are repayable within a period of 2 years (June 30, 2025: within a period of 2 years) and are secured against title documents of the immovable properties.
- 9.9** As per Regulation 25(A) of the NBFC Regulations, NBFCs with micro finance portfolio are required to maintain a general provision equivalent to 0.5% of the net outstanding micro finance portfolio (net of specific provisions).

For the Year Ended June 30, 2026

10.1 The breakup of carrying value of investment accounted under equity method is as follows:

10.1.1 The holding company holds 2.5% (2025: 2.5%) ownership interest in Yanal Finance Company (YFC), which was incorporated in Riyadh, Kingdom of Saudi Arabia. The holding company's contractual right to nominate 2 out of 9 directors on YFC board member enables it to participate in and influence its key financial and operational decisions. Moreover, the CEO of the holding company is also the MD of YFC. Accordingly, YFC is accounted under equity method of accounting due to the significant influence exercised by the Company. The latest available audited financial statements, which are prepared on a going concern basis, for the year ended December 31, 2025 have been audited by Pricewaterhouse Coopers, Kingdom of Saudi Arabia.

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

211 / OLP Financial Services Pakistan Limited

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

	Note	2026	2025
		Rupees	
10.1.3 Movement of investment in associate is as follows:			
Balance at the beginning of the year		1,775,618,949	1,707,416,512
Share of profit for the year	34	129,223,583	154,255,506
Dividend received during the year		(121,431,403)	(121,290,321)
Exchange (loss) / gain arising on translation of a foreign associate		(38,416,023)	36,120,045
Share of other comprehensive income		8,140,528	(882,793)
Balance at the end of the year		1,753,135,634	1,775,618,949

10.1.4 The carrying value of investment in associate in foreign currency is SAR 23.7 million (June 30, 2025: SAR 23.5 million).

10.2 The holding company holds 45% (June 30, 2025: 45%) ownership interest in OPP (Private) Limited. During 2014, the Board of Directors approved the divestment of the holding company's entire investment in OPP. The sales negotiations for disposal of investment in OPP were held with a minority shareholder of OPP and a Share Purchase Agreement (SPA) was signed by all the parties in July 2014. However, the minority shareholder had failed to comply with the terms of the SPA and initiated legal proceedings to restrict the Company from managing the affairs of OPP. The holding company has also filed a reference in the Lahore High Court to allow the Company to buy out the minority stakeholder in OPP or to wind up OPP which is pending to date. As the matter is under litigation and due to limited availability of financial information, the investment has been fully impaired.

10.3 The holding company holds 16.87% (June 30, 2025: 23%) ownership interest in SAMA Finance SAE (SAMA). In February 2019, the Board of Directors approved the divestment of this investment. The holding company's contractual right to nominate 2 out of 11 directors on SAMA board member enables it to participate in and influence its key financial and operational decisions. Accordingly, SAMA is classified as an investment in associate. The holding company engaged in sale negotiation for disposal, signed a Sale Purchase Agreement (SPA) on October 17, 2019. Although the long stop date of the agreement expired in May 2022 without an extension, the Board reaffirmed their intention to sell in April 2023. The investment has been fully impaired due to hampered profits, using the present value valuation method.

	Note	2026	2025
		Rupees	
11 LONG-TERM INVESTMENTS			
At fair value through other comprehensive income			
Ordinary shares - unlisted	11.1	4,102,903	20,337,366
Ordinary shares - listed	11.2	21,618,930	11,164,079
		25,721,833	31,501,445
Less: impairment on investment		-	(9,406,250)
		25,721,833	22,095,195

11.1 This represents 705,882 (June 30, 2025: 705,882) shares of Al Baraka Bank (Pakistan) Limited having a face value of Rs. 10 per share.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

- 11.2** This represents 507,634 (June 30, 2025: 245,294 having face value of Rs. 10 per share) shares of LSE Capital Limited having a face value of Rs. 5 per share and 1,685,620 (June 30, 2025: 842,810 having face value of Rs. 10 per share) shares of LSE Ventures Limited having a face value of Rs. 5 per share.

12 DEFINED BENEFIT PLAN ASSETS - STAFF GRATUITY

12.1 General description

The Holding Company operates a funded gratuity scheme which was established under the provisions of the Trust Deed dated July 1, 2004 for its permanent staff who have completed the minimum qualifying period of three years of service under the scheme. In view of promulgation of Sindh Trust Act, 2020 (the Act), the Holding Company and the trustees of the fund have registered the original trust deed and rules under the Act in September 2022. The funded scheme is administered by the Board of Trustees in accordance with the provisions of the Trust Deed. Contributions therein are made in accordance with actuarial recommendations. The most recent valuation in this regard was carried out as at June 30, 2026 using the Projected Unit Credit Method.

12.2 Principal actuarial assumptions

	2026	2025
- Discount rate	11.75%	12.25%
- Expected short term salary increase rate	12.50%	10.00%
- Expected long term salary increase rate	11.50%	11.75%
- Expected rate of return on plan assets	11.69%	16.12%
- Average service years	13.55	13.67

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

- 12.3** The amount recognised in the consolidated statement of financial position is as follows:

	Note	2026	2025
----- Rupees -----			
Present value of defined benefit obligation	12.4	338,408,214	313,226,176
Fair value of any plan assets	12.4	(393,457,037)	(377,531,754)
		<u>(55,048,823)</u>	<u>(64,305,578)</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

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

	2026		
	Present value of defined benefit obligation	Fair value of plan assets	Net asset
	Rupees		
At July 1	313,226,176	(377,531,754)	(64,305,578)
Current service cost	23,444,843	-	23,444,843
Interest expense / (income)	38,424,517	(45,946,976)	(7,522,459)
	375,095,536	(423,478,730)	(48,383,194)
Remeasurements:			
Actuarial loss on plan assets	-	385,011	385,011
Actuarial loss on obligation	4,891,147	-	4,891,147
	4,891,147	385,011	5,276,158
	379,986,683	(423,093,719)	(43,107,036)
Contributions made	-	(11,941,787)	(11,941,787)
Benefits paid	(41,578,469)	41,578,469	-
At June 30	338,408,214	(393,457,037)	(55,048,823)

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

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

	2026	2025
	Rupees	
Current service cost	23,444,843	23,553,404
Interest expense - net	(7,522,459)	(3,251,600)
	15,922,384	20,301,804

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

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

	Note	2026	2025
		Rupees	
Actuarial gain / (loss) on plan assets	12.6.1	(385,011)	13,426,528
Actuarial gain on obligation	12.6.2	(4,891,147)	29,088,569
		(5,276,158)	42,515,097
12.6.1 Included in actuarial gain / (loss) on plan assets			
Actual net return on plan assets		42,717,001	53,749,535
Interest income on plan assets		(45,946,976)	(50,657,520)
		(3,229,975)	3,092,015
Opening difference in fund accounts		2,844,964	10,334,513
Net return on plan assets over interest income		(385,011)	13,426,528
12.6.2 Included in actuarial gain on obligation			
(Loss) / Gain due to change in financial assumptions		(7,149,663)	17,227,232
Gain due to change in experience adjustments		2,258,516	11,861,337
		(4,891,147)	29,088,569

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

12.8 Plan assets consist of the following:

	2026 (Un-audited)		2025 (Audited)	
	(Rupees)	%	(Rupees)	%
Investment in Government securities	389,968,602	99.11%	367,119,621	97.24%
Cash and bank balances	3,488,435	0.89%	10,412,133	2.76%
	393,457,037	100.00%	377,531,754	100.00%

12.9 Historical results

	2026	2025	2024	2023	2022
	Rupees				
Present value of defined benefit obligation	338,408,214	313,226,176	311,039,869	302,086,399	265,876,926
Fair value of plan assets	(393,457,037)	(377,531,754)	(332,830,350)	(308,204,730)	(293,133,410)
(Surplus) / deficit	(55,048,823)	(64,305,578)	(21,790,481)	(6,118,331)	(27,256,484)
Remeasurements of plan liabilities	4,891,147	(29,088,569)	(10,897,686)	(3,063,606)	(8,285,552)
Remeasurements of plan assets	385,011	(13,426,528)	(4,774,461)	18,494,869	(10,618,488)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

12.10 Actual return on plan assets during the year amounted to Rs. 45.56 million (June 30, 2025: Rs. 64.08 million).

12.11 Based on the actuarial advice, the holding company intends to charge an amount of approximately Rs. 19.09 million in respect of contribution to gratuity fund in the unconsolidated financial statements for the year ending June 30, 2027.

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

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

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

	Impact on Defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	----- % -----	----- Rupees -----	
Discount rate	1.0%	317,362,461	359,237,088
Salary growth rate	1.0%	357,480,616	318,584,313

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

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

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 to Year 10
	----- Rupees -----					
Defined benefit obligation	25,363,578	110,981,665	27,174,004	46,960,502	36,451,687	239,122,786

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

12.15 The weighted average duration of the defined benefit obligation is 6.19 years.

12.16 The information provided in notes 12.1 to 12.15 have been obtained from the details provided by the actuary of the Holding Company.

13	SHORT-TERM FINANCES	Note	2026	2025
			Rupees	
	Considered good - secured			
	Micro finance / small enterprise finance	13.1	-	598,612
	Agri finance	13.2	-	3,647,953
			-	4,246,565
	Considered doubtful - secured			
	Micro finance		777,084	790,053
	Agri finance	13.2	1,283,335	2,883,331
			2,060,419	3,673,384
	Less: expected credit loss / provision	38.2	(1,242,636)	(2,784,911)
			817,783	888,473
	Less: general provision against micro finance loans	9.9 & 38.2	-	(29,931)
			817,783	5,105,107

13.1 These represent short-term micro finance facilities with maturity of a less than a year provided to individuals on mark-up basis. The mark-up on these loans ranges from 22.00% to 42.00% (June 30, 2025: 22.00% to 42.00%) per annum. These are secured against personal guarantees and are repayable within twelve months.

13.2 These represent short-term finance facilities offered to farmers on mark-up basis. The rate of return on these loans is 17.00% (June 30, 2025: 17.00% to 18.00%) per annum. These are repayable within twelve months and are secured against title documents of the immovable properties.

14	CURRENT MATURITY OF NON-CURRENT ASSETS	Note	2026	2025
			Rupees	
	Current maturity of:			
	Net investment in finance lease	8.2	3,819,253,438	4,221,795,165
	Expected credit loss / provision against finance leases	38.1	(293,558,149)	(329,405,364)
			3,525,695,289	3,892,389,801
	Long-term loans and finances	9	15,570,830,256	12,780,792,400
	Expected credit loss / provision against loans and finances	38.2	(319,455,639)	(319,461,297)
			15,251,374,617	12,461,331,103
			18,777,069,906	16,353,720,904

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

15	SHORT-TERM INVESTMENTS	Note	2026	2025
			Rupees	
	At fair value through profit or loss			
	Market treasury bills	15.1	2,862,439,011	2,182,958,179
	Mutual Funds	15.2	41,703	159,735,406
			<u>2,862,480,714</u>	<u>2,342,693,585</u>

15.1 These include investment amounted to Rs. 444.97 million (June 30, 2025: Rs. 445.70 million) made as required under Regulation 14(4)(g) of the NBFC Regulations to maintain liquidity against certificates of deposit. These are redeemable within a period of 1 to 9 months (June 30, 2025: 1 to 5 months) from the reporting date, carrying yield ranging from 9.93% to 12.39% (June 30, 2025: 11.25% to 11.95%) per annum.

15.2 Following is the break-up of investment if mutual funds:

Following is the break-up of investment in mutual funds:						As at June 30, 2026			
Name of investee fund	As at 1 July 2025	Dividend reinvest /Bonus	Redemption during the year	As at June 30, 2026	As at June 30, 2025	Carrying value	Market Value	Unrealised gain on revaluation of financial assets at fair value through P/L	As at June 30 2025 Market Value
----- Number of units -----						----- Rupees -----			
NBP Islamic Daily Dividend Fund	547,881	2,889	549,418	1,352	547,881	13,046	13,046	-	5,478,802
UBL Al- Ameen Islamic Cash Plan - I	63,058	11	62,909	160	63,058	15,723	15,723	-	6,335,106
Alfalah Islamic Rozana Amdani Fund	1,410,861	15	1,410,876	-	1,410,861	-	-	-	141,086,096
Al Hamra Islamic Money Market Fund	66,965	298	67,146	117	66,965	12,934	12,934	-	6,663,650
Al Hamra Daily Dividend Fund	1,718	10	1,728	-	1,718	-	-	-	171,752
						41,703	41,703	-	159,735,406

16	ADVANCES AND PREPAYMENTS	Note	2026	2025
			Rupees	
	Advances - unsecured	16.1	128,986,592	187,478,444
	Prepayments			
	Rent		1,776,973	4,516,617
	Prepaid commission for the sale of Certificates of Musharika (COM)		18,444,505	20,470,090
	Prepayment related to staff loan		29,009,834	40,707,471
	Other prepayments	16.2	30,927,792	39,752,856
			<u>80,159,104</u>	<u>105,447,034</u>
			<u>209,145,696</u>	<u>292,925,478</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

16.1 These include amounts disbursed to various vendors for the supply or construction of assets against the financing to be extended by the Modaraba to its customers under Ijarah and diminishing musharika arrangements.

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

Names	Maximum aggregate amount	2026	2025
		Rupees	
Mr. Imtiaz Ahmad Chaudhary	19,998	-	16,667
Mr. Abid Hussain Awan	103,932	66,180	103,928
Mr. Waqas Ahmed Khwaja	209,332	186,667	
Mr. Adnan Ishaq	87,497	62,501	87,500
Mr. Fahad Shahzad Memon	75,008	50,012	75,008
Mr. Nadeem Amir Ali	169,997	130,001	-
Mr. Mohammad Aslam	218,746	190,000	64,583
Mr. Mohammad Ikram	64,580	39,584	64,583
Mr. Shahzad Rana Younus	112,497	87,501	112,500
Mr. Rashid Ahmed	-	-	63,750
Mr. Salman Ali	8,332	-	118,732
Mr. Hamid Muhammad Khan	-	-	24,933
		812,446	732,184

17 OTHER RECEIVABLES

Note	2026	2025
	Rupees	

Considered good

Ijarah finance rentals		29,030,465	44,403,191
Receivables from Yanal Finance Company - related party	17.1	954,045	2,094,320
Receivables from ORIX Corporation - related party	17.1	-	52,422
Insurance receivable from lessees	17.2	538,599,154	417,675,411
Operating lease receivable		-	2,670,310
Insurance commission receivable		5,914,609	6,775,358
Others		31,969,254	84,260,186
		606,467,527	557,931,198

Considered doubtful

Operating lease rentals		-	2,670,310
Ijarah finance rentals		39,673,966	52,802,209
Others		2,837,495	3,157,932
		42,511,461	58,630,451
Less: expected credit loss / provision	38.3	(60,341,901)	(65,945,790)
		588,637,087	550,615,859

17.1 Maximum amount outstanding at the end of any month during the year from Yanal Finance Company and ORIX Corporation, Japan was Rs 5.1 million and Rs. 2.9 million respectively.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

- 17.2** This represents insurance receivable from lessees on account of insurance of leased vehicles. Previously this has been netted off from insurance payables.

	Note	2026	2025
18 CASH AND BANK BALANCES		Rupees	
Cash in hand		1,322,796	1,506,697
Balances with banks in:			
- Current accounts		94,745,460	142,700,832
- Deposit accounts	18.1	802,685,814	747,841,714
		897,431,274	890,542,546
Less: expected credit loss on bank balances		(105,732)	(16,025)
	18.2	898,648,338	892,033,218

- 18.1** These carry expected profit rates ranging from 2.50% to 19% per annum (June 30, 2025: 4.00% to 19.50% per annum).

- 18.2** The balances held with banks in deposit accounts include those deposits that 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.

	Note	2026	2025
19 ASSETS CLASSIFIED AS HELD FOR SALE		Rupees	
Reposessed assets		-	250,001
Stock Exchange room	19.1	4,700,000	4,700,000
Disposal group held for sale		-	7,406,660
		4,700,000	12,356,661

- 19.1** During the year, the holding company has received advance against sale of the stock exchange room from the successful bidder. The potential sale transaction will be completed in the forthcoming year.

20 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2026	2025		2026	2025
----- (Number of shares) -----			Rupees	
106,485,517	106,485,517	Ordinary shares of Rs. 10 each	1,064,855,170	1,064,855,170
66,739,592	66,739,592	Fully paid in cash	667,395,920	667,395,920
2,182,538	2,182,538	Fully paid bonus shares	21,825,380	21,825,380
175,407,647	175,407,647	Fully paid shares against amalgamation	1,754,076,470	1,754,076,470

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

20.1 As at June 30, 2026, ORIX Corporation, Japan and its nominees held 86,960,515 (June 30, 2025: 86,960,515) ordinary shares equivalent to 49.58% (2025: 49.58%) of the total shareholding.

20.2 As per regulation 16 of Non-Banking Finance Companies and Notified Entities Regulations, 2008, an NBFC is required to transfer 20% of its profit after tax to a statutory reserve until the amount of the reserves equals the paid up capital. Thereafter, 5% of the profit after tax is required to be transferred to this reserves. Accordingly, the Holding Company has transferred 5% of its profit after tax to the statutory reserves for the year ended June 30, 2026 and June 30, 2025.

21	SURPLUS ON REVALUATION OF LEASEHOLD LAND AND OFFICE BUILDING - NET OF TAX	Note	2026	2025
			Rupees	
	Opening balance		904,516,237	934,245,613
	Revaluation surplus arising during the year		230,070,404	-
	Adjustment in respect of incremental depreciation transferred to unappropriated profit		(29,729,376)	(29,729,376)
			1,104,857,265	904,516,237
	Opening balance of deferred tax liability		(29,953,998)	(35,938,866)
	Deferred tax liability on surplus on revaluation of office building arising during the year		(33,126,289)	-
	Adjustment on transfer of incremental depreciation to unappropriated profit		3,755,545	5,984,868
		25	(59,324,742)	(29,953,998)
			1,045,532,523	874,562,239

22 LONG-TERM FINANCES

Secured

Long-term finances utilised under mark-up arrangements financial institutions	22.1 & 22.2	20,767,182,919	16,404,000,931
Privately placed term finance certificates	22.3	373,268,127	1,121,664,975
Accrued interest / mark-up on long-term finances		158,924,073	163,864,713
		21,299,375,119	17,689,530,619
Less: current maturity	31	(8,012,818,975)	(6,035,496,268)
		13,286,556,144	11,654,034,351

22.1 These finances have been obtained for financing of operations and are secured by hypothecation of leased assets, related lease receivables and financing receivables. The mark-up rates thereon range from 10.90% to 12.94% (June 30, 2025: 11.47% to 12.81%) per annum. These finances are repayable within a period of 36 to 60 months (June 30, 2025: 36 to 60 months).

22.2 This also includes Musharika term finance obtained by the Modaraba from various banks / companies amounting to Rs. 941 million (June 30, 2025: Rs.907 million). These carry profit at the rates ranging between 9.52% to 12.76% (June 30, 2025:12.08% to 22.77%) per annum. These finances are repayable within a period of 36 to 60 months (June 30, 2025: 36 to 60 months).

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

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

	Note	2026	2025
23 LONG-TERM CERTIFICATES OF DEPOSIT		----- Rupees -----	
Unsecured			
Certificates of deposit	23.1	672,861,663	894,897,371
Accrued profit on certificate of deposits		204,134,045	173,238,879
		876,995,708	1,068,136,250
Less: current maturity	31	(786,457,376)	(306,524,004)
		<u>90,538,332</u>	<u>761,612,246</u>

- 23.1** These certificates of deposit have been obtained for financing the operations of the Company and issued at rate of return ranging from 6.73% to 18.25% (June 30, 2025: 6.73% to 18.25%) per annum and issued for terms ranging from 3 years to 5 years (June 30, 2025: 3 years to 10 years).

	Note	2026	2025
24 LONG-TERM DEPOSITS		----- Rupees -----	
Security deposit on ijarah contracts	24.1	134,281,200	278,574,576
Less: current maturity	31	(62,710,848)	(131,090,150)
		<u>71,570,352</u>	<u>147,484,426</u>

- 24.1** These represents amounts received under ijarah finance repayable / adjustable at the expiry of the lease period.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

25 DEFERRED TAXATION

Note	As at June 30, 2025	Recognised in profit or loss	Recognised in OCI	As at June 30, 2026
Rupees				
Taxable temporary differences arising on:				
- Accelerated tax depreciation	578,288,090	98,544,339	-	676,832,429
- Surplus on revaluation of office building	21 29,953,998	(3,755,545)	33,126,289	59,324,742
- Investments	647,946,214	(10,880,130)	(30,754,640)	606,311,444
- Unamortised transaction costs relating to long term finances and loans	1,300,660	(659,867)	-	640,793
	1,257,488,962	83,248,797	2,371,649	1,343,109,408
Deductible temporary differences arising on:				
- Lease liability against right-of-use assets	(50,068,168)	(51,703,215)	-	(101,771,383)
- Allowance for expected credit loss / provision	(499,333,612)	47,139,841	-	(452,193,771)
	(549,401,780)	(4,563,374)	-	(553,965,154)
	708,087,182	78,685,423	2,371,649	789,144,254

26 LEASE LIABILITIES

Note	2026	2025
Rupees		
Lease liability against right-of-use assets	26.1 283,972,584	142,161,554

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

	2026			2025		
	Minimum lease Payments	Financial charges	Principal outstanding	Minimum lease Payments	Financial charges	Principal outstanding
Rupees						
Not later than one year	89,191,716	37,741,449	51,450,267	77,836,952	26,841,406	50,995,546
Later than one year and not later than five years	244,570,376	115,300,461	129,269,915	164,306,527	48,589,870	115,716,657
Later than five years	202,015,870	47,313,201	154,702,669	33,989,579	7,544,682	26,444,897
	446,586,246	162,613,662	283,972,584	198,296,106	56,134,552	142,161,554
	535,777,962	200,355,111	335,422,851	276,133,058	82,975,958	193,157,100

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

	Note	2026	2025
27 REDEEMABLE CAPITAL - PARTICIPATORY AND UNSECURED			
		Rupees	
Certificates of Musharika (COM)	27.1	5,439,987,424	5,682,548,521
Less: current portion of redeemable capital	27.2	(3,800,982,424)	(5,580,448,521)
		<u>1,639,005,000</u>	<u>102,100,000</u>

27.1 These carry estimated share of profit ranging between Rs. 0 to Rs. 0.3477 per thousand per day (0% to 12.69% per annum) (June 30, 2025: Rs. 0 to Rs. 0.3164 per thousand per day (0% to 11.55% per annum) and are due to mature latest by May 14, 2031 (June 30, 2025: June 03, 2030).

27.1.1 This includes COM issued to key management personnel amounting to Rs. 33.60 million (June 30, 2025: Rs.33.65 million) at the rate ranging from 0% to 9.45% (June 30, 2025: 0% to 21.05%) per annum.

	Note	2026	2025
27.2 Current portion of redeemable capital			
		Rupees	
Current portion of Certificates of Musharika		3,664,450,000	5,394,650,000
Payable to holders of matured Certificates of Musharika	27.2.1	87,205,000	136,705,000
Profit payable on redeemable capital		49,327,424	49,093,521
		<u>3,800,982,424</u>	<u>5,580,448,521</u>

27.2.1 These represent amounts with respect to already matured certificates against which respective customer's request for encashment along with original certificates are pending.

	Note	2026	2025
28 ACCRUED AND OTHER LIABILITIES			
		Rupees	
Creditors		1,304,850,812	584,371,521
Accrued liabilities		252,972,609	291,983,134
Other liabilities			
Advances from customers against finance lease and ijarah finance		5,248,727	8,995,607
Sales tax payable		43,580,643	38,838,635
Insurance premium payable		838,446,353	654,277,352
Provision for Provincial Workers' Welfare Fund	28.1	223,908,741	176,132,596
Payable to minority shareholders of Standard Chartered Leasing Limited		14,644,951	14,694,152
Others		87,565,442	66,574,639
		<u>1,213,394,857</u>	<u>959,512,981</u>
		<u>2,771,218,278</u>	<u>1,835,867,636</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

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

The Sindh Revenue Board (SRB) vide letter no. SRB/DC-A(W)/2017/Rep/4760 dated January 16, 2017 had advised the Modaraba to pay off all its liabilities falling due under the SWWF Act. The management considered that the SWWF Act is limited only to the province of Sindh and till the time there is any mechanism available for apportionment of total income relevant to province of Sindh, no SWWF liability to SRB can be paid out. On these grounds, foreseeing the expected WWF demand and penal actions from SRB, the Modaraba had filed a Constitutional Petition (CP) No. CP.D.3879/2017 with the Honorable Sindh High Court. On March 16, 2020, an interim order was issued by the Honorable Sindh High Court whereby the Modaraba was instructed to deposit the SWWF liability either with SRB or Nazir as appointed by the Court. During the year, no amount has been deposited relating to SWWF (2025: Rs 1.999 million). The management has provided for SWWF liability for the period from January 1, 2014 to June 30, 2026 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.

	Note	2026	2025
29	SHORT-TERM BORROWINGS	----- Rupees -----	
From banking companies - secured			
Running finance arrangements	29.1	1,625,510,366	2,022,332,080
Accrued interest / mark-up on short term borrowings		49,201,360	51,048,263
		1,674,711,726	2,073,380,343

- 29.1** These represent short-term running finance facilities for financing of operations with limits aggregating to Rs. 3,750 million as at June 30, 2026 (June 30, 2025: Rs. 3,050 million). These facilities have been obtained for financing of day to day operations. The rate of mark-up ranges from 11.89% to 12.78% (June 30, 2025: 11.83% to 13.18%) per annum on a daily product basis. These are secured by hypothecation of leased assets, related lease receivables and financing receivables.

	Note	2026	2025
30	SHORT-TERM CERTIFICATES OF DEPOSIT	----- Rupees -----	
Unsecured			
Short-term certificates of deposit	30.1	2,251,776,630	2,015,104,976
Payable to holders of matured certificates of deposits		41,819,786	61,353,592
Accrued profit on short-term certificates of deposit		36,186,904	29,692,019
		2,329,783,320	2,106,150,587

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

- 30.1** These represent short-term certificates of deposit obtained for financing of operations, issued at rate of profit ranging from 9.00% to 12.40% (2025: 8.00% to 18.10%) per annum, for a term upto 12 months (2025: 12 months).

		Note	2026	2025
31	CURRENT MATURITY OF NON-CURRENT LIABILITIES		Rupees	
	Current maturity of:			
	Long-term finances	22	8,012,818,975	6,035,496,268
	Long-term certificates of deposit	23	786,457,376	306,524,004
	Lease liability against right-of-use asset	26.1	51,450,267	50,995,546
	Long-term deposits	24	62,710,848	131,090,150
	Redeemable capital	27.2	3,800,982,424	5,580,448,521
			12,714,419,890	12,104,554,489

32 CONTINGENCIES AND COMMITMENTS

32.1 Holding Company

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

Subsequently, the department filed a reference application before the Sindh High Court on May 14, 2024. The reference application was disposed of by the Sindh High Court on March 30, 2026, being time-barred. Thereafter, the department preferred an appeal before the Supreme Court of Pakistan, which is currently pending adjudication.

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

32.1.2 In the year 2017, the Deputy Commissioner Inland Revenue (DCIR) amended the orders for the tax years 2011 and 2014 creating an aggregate demand of Rs 126.2 million mainly on account of difference in determination of minimum tax liability under section 113 of the Ordinance, disallowance of tax loss on lease terminations and certain other matters. The Company contested the matters in appeals before the CIR-A, which were maintained. The Company then filed appeal before the ATIR, which was disposed of vide combined order dated January 18, 2024 wherein most of the issues have been decided in the Company's favor. However, the matter of tax loss on pre-mature termination of lease was remanded back to DCIR with directions. Subsequently, the department filed a reference application before the Sindh High Court (SHC) on May 07, 2024, which is currently pending adjudication.

Moreover, ATIR vide order dated January 21, 2026 rejected the appeal filed by the department for tax year 2011 on the issue of allocation of expenses.

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

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

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

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

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

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

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

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

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

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

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

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

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

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

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

32.1.9 In October 2022, the Deputy Commissioner Inland Revenue (DCIR) issued notices under Section 176 of the Ordinance required the Company to submit reconciliation of withholding tax deductions with payments reflected in the audited financial statements for the tax year 2017 which was duly responded. Subsequently, the DCIR, without considering the submissions, vide order dated June 26, 2023 framed under Section 161(1) of the Ordinance concluded the proceedings raised demand of Rs. 482 million for alleged short deduction or non-payment of withholding taxes. The Company filed an appeal before the CIR-A who vide order dated September 6, 2023 disposed of the appeal remanding the case back to the DCIR with directions to scrutinize the submitted documents.

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

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

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

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

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

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

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

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

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

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

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

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

32.2 Commitments relating to capital expenditure at the reporting date amounted to Rs. 4.48 Million (June 30, 2025: Rs. NIL).

32.3 OLP Modaraba

The Modaraba has issued Nil Letter of Comfort as at June 30, 2026 (June 30, 2025: Sindh Bank Limited on behalf of M/s. AIMS Hosiery Limited & M/s. Demont Research Laboratories (Private) Limited as at year end amounting to Rs. 102.17 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.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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33 OTHER INCOME - NET

Income from financial assets

Return on investments and deposits	60,314,318	81,874,138
Interest income on government securities	215,231,175	313,116,320
Dividend income	2,074,762	31,732,382
Capital gain on sale of investments - net	29,555,000	139,662,500
Unrealised (loss) / gain on remeasurement of financial assets at fair value through profit or loss - net	(3,938,493)	1,547,638
	303,236,762	567,932,978

Income from other than financial assets

Other fees and income	440,844,228	261,037,763
Documentation fee	57,738,799	40,179,970
Gain on disposal of fixed assets	14,092,293	35,404,993
Gain on disposal of Ijarah assets	11,602,245	55,130,794
Gain on sale of leased and finance assets	111,338,377	127,386,736
Exchange (loss) / gain - net	(137,993)	120,513
	635,477,949	519,260,769
	938,714,711	1,087,193,747

2026	2025
Rupees	
60,314,318	81,874,138
215,231,175	313,116,320
2,074,762	31,732,382
29,555,000	139,662,500
(3,938,493)	1,547,638
303,236,762	567,932,978
440,844,228	261,037,763
57,738,799	40,179,970
14,092,293	35,404,993
11,602,245	55,130,794
111,338,377	127,386,736
(137,993)	120,513
635,477,949	519,260,769
938,714,711	1,087,193,747

34 SHARE OF PROFIT FROM ASSOCIATE - NET OF TAX

Name of associate	2026		2025	
	Associate's profit after tax	Share of associate's profit after tax	Associate's profit after tax	Share of associate's profit after tax
Rupees				
Un-quoted - related party				
Yanal Finance Company	5,164,768,671	129,223,583	6,505,619,683	154,255,506

35 FINANCE COST

Interest / mark-up / profit on:

- Long-term finances	2,271,968,809	2,344,720,313
- Redeemable capital	491,019,277	670,420,207
- Short-term borrowings	166,954,351	298,761,069
- Certificates of deposit	352,134,590	672,403,923
- Lease liability against right-of-use assets	32,635,255	25,670,124
Unwinding of security deposits	27,421,425	39,880,208
Bank charges and commission	53,210,733	61,783,262
	3,395,344,440	4,113,639,106

2026	2025
Rupees	
2,271,968,809	2,344,720,313
491,019,277	670,420,207
166,954,351	298,761,069
352,134,590	672,403,923
32,635,255	25,670,124
27,421,425	39,880,208
53,210,733	61,783,262
3,395,344,440	4,113,639,106

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36 ADMINISTRATIVE AND GENERAL EXPENSES	Note	2026	2025
		Rupees	
Salaries, allowances, welfare and training	36.1	1,409,363,739	1,422,689,252
Rent and utilities	36.2	70,706,257	92,375,911
Travelling		13,637,048	9,344,473
Vehicle running and maintenance		84,459,328	62,532,280
Insurance on operating assets		8,264,584	8,750,231
Legal and professional charges		45,321,865	46,233,392
Communication		27,389,216	28,746,118
Subscriptions		12,870,746	14,571,113
Auditors' remuneration	36.4	17,871,361	11,750,537
Advertising		4,928,119	10,793,456
Printing and stationery		17,343,587	17,422,989
Depreciation	5.1 & 5.2	165,205,468	138,556,121
Amortisation	7.1	1,873,863	2,889,456
Office repairs and maintenance of equipment		99,292,860	90,155,077
Donations	36.5	9,850,000	12,680,000
Office general expenses		25,941,903	19,581,642
		<u>2,014,319,944</u>	<u>1,989,072,048</u>

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

Defined benefit plan - gratuity fund	12.5	15,922,384	20,301,804
Defined contribution plan - gratuity fund		6,900,000	6,846,000
Defined contribution plan - provident fund		11,766,000	39,781,277
Charge against compensated absences		920,000	-
		<u>35,508,384</u>	<u>66,929,081</u>

36.2 This includes rent expenses of Rs. 20.79 million (June 30, 2025: Rs. 28.35 million) against short term leases and leases of low value assets.

36.3 As per Rule 9 of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, NBFCs require to obtain insurance coverage against any losses that may be incurred as a result of employee's fraud or gross negligence. Accordingly, the company has obtained insurance coverage for the year ended June 30, 2026 and June 30, 2025.

36.4 Auditors' remuneration	2026	2025
	Rupees	
Audit services		
Annual audit fee	7,687,600	6,674,000
Half yearly review fee	1,250,000	1,100,000
Out of pocket expenses	1,205,604	984,000
Sales tax on audit fee and other services	856,571	707,149
	<u>10,999,775</u>	<u>9,465,149</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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	Note	2026	2025
		Rupees	
Non-audit services			
Other services and certifications		6,871,586	2,285,388
Tax advisory services		-	-
		6,871,586	2,285,388
		17,871,361	11,750,537

36.5 Donations above 10% of total donation or Rs. 1,000,000 which ever is higher

The Layton Rahmatullah Benevolent Trust (LRBT)	36.5.1	2,500,000	1,500,000
Al-Khidmat Welfare Society		2,500,000	-
IBP School Of Special Education		1,100,000	1,000,000
Shaukat Khanum Memorial Trust		1,000,000	1,000,000

36.5.1 The Chief Executive Officer of the Holding Company (Mr. Shaheen Amin) is a Trustee of LRBT.

	Note	2026	2025
		Rupees	
37 DIRECT COST			
Court fee, stamp duty and others		14,219,003	15,177,538
Maintenance and insurance		23,562,175	18,471,727
Depreciation - ijarah assets	6	229,617,864	406,966,197
		267,399,042	440,615,462

38 EXPECTED CREDIT LOSS / PROVISION AGAINST LEASES, LOANS AND FINANCES - NET

	2026				
	Finance lease (note 38.1)	Loans and Finances (note 38.2)	Sub-total	Operating lease, ijarah and other receivables (note 38.3)	Total
Rupees					
Balance at the beginning of the year	339,593,159	424,669,198	764,262,357	65,961,815	830,224,172
Provision charge for the year	49,474,362	180,010,147	229,484,509	150,178	229,634,687
Reversal made during the year	(57,051,267)	(146,962,252)	(204,013,519)	(5,664,360)	(209,677,879)
	(7,576,905)	33,047,895	25,470,990	(5,514,182)	19,956,808
Write-offs	(29,378,987)	(16,321,302)	(45,700,289)	-	(45,700,289)
	302,637,267	441,395,791	744,033,058	60,447,633	804,480,691

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

	2025				
	Finance lease (note 38.1)	Loans and Finances (note 38.2)	Sub-total	Operating lease, ijarah and other receivables (note 38.3)	Total
	Rupees				
Balance at the beginning of the year	580,287,914	283,462,578	863,750,492	56,068,017	919,818,509
Provision charge for the year	28,197,296	217,596,825	245,794,121	9,978,398	255,772,519
Reversal made during the year	(268,892,051)	(76,390,205)	(345,282,256)	(84,600)	(345,366,856)
	(240,694,755)	141,206,620	(99,488,135)	9,893,798	(89,594,337)
Write-offs	-	-	-	-	-
	339,593,159	424,669,198	764,262,357	65,961,815	830,224,172

38.1 Provision against finance leases

	Note	2026	2025
		Rupees	
Long term portion of provision against finance leases	8	9,079,118	10,187,795
Current portion of provision against finance leases	14	293,558,149	329,405,364
		302,637,267	339,593,159

38.2 Provision against loans and finances

Long-term loans and finances	8	120,697,516	102,393,059
Current portion of long-term loans and finances	14	319,455,639	319,461,297
Short-term loans and finances	13	1,242,636	2,814,842
		441,395,791	424,669,198

38.2.1 Loans and finances - particulars provision against loans and finances

	2026				
	Expected Credit Loss			General	Total
	Stage 1	Stage 2	Stage 3		
	Rupees				
Balance at the beginning of the year	17,655,844	90,323,200	316,644,764	45,390	424,669,198
Charge on new disbursements	13,703,128	(946,447)	47,079,589	-	59,836,270
Additional charge	1,950	7,531,161	80,321,616	-	87,854,727
Loans and finances derecognised or repaid / reversal	(12,878,963)	(19,781,643)	(75,641,368)	(41,026)	(108,343,000)
Transfer to stage 1	11,326,314	(7,882,221)	(3,444,093)	-	-
Transfer to stage 2	(2,080,879)	2,487,067	(406,188)	-	-
Transfer to stage 3	(226,483)	(27,480,097)	27,706,580	-	-
Net changes in contract risk	(135,760)	(2,256,952)	(3,907,390)	-	(6,300,102)
	9,709,307	(48,329,132)	71,708,746	(41,026)	33,047,895
Write-offs	-	-	(16,321,302)	-	(16,321,302)
Balance at the end of the year	27,365,151	41,994,068	372,032,208	4,364	441,395,791

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

	2025				
	Expected Credit Loss			General	Total
	Stage 1	Stage 2	Stage 3		
	Rupees				
Balance at the beginning of the year	28,571,473	37,042,979	216,586,964	1,261,162	283,462,578
Charge on new disbursements	9,075,001	14,122,162	44,843,864	-	68,041,027
Additional charge	(2,664)	29,551,012	80,645,564	-	110,193,912
Loans and finances derecognised or repaid / reversal	(4,364,327)	(10,940,480)	(12,764,897)	(1,215,772)	(29,285,476)
Transfer to stage 1	428,587	(428,587)	-	-	-
Transfer to stage 2	(2,666,091)	11,225,693	(8,559,602)	-	-
Transfer to stage 3	(174,957)	(454,833)	629,790	-	-
Net changes in contract risk	(13,211,178)	10,205,254	(4,736,919)	-	(7,742,843)
	(10,915,629)	53,280,221	100,057,800	(1,215,772)	141,206,620
Write-offs	-	-	-	-	-
Balance at the end of the year	17,655,844	90,323,200	316,644,764	45,390	424,669,198

38.2.2 Loans and finances - category of classification

	2026		2025	
	Exposure	Provision	Exposure	Provision
	Rupees			
Stage 1	30,478,461,914	27,675,350	25,605,583,408	17,966,044
Stage 2	2,221,800,430	41,994,069	2,446,141,836	90,323,200
Stage 3	788,560,680	371,722,008	564,830,581	316,334,564
General Provision	-	4,364	-	45,390
	33,488,823,024	441,395,791	28,616,555,825	424,669,198

38.3 Provision against ijarah and other receivables	Note	2026	2025
		Rupees	
Other receivables	17 & 18	60,447,633	65,961,815

39 OTHER PROVISIONS - NET

Operating lease, ijarah and other receivables

Provision / (reversal of provision) against other receivables	(320,437)	595,568
(Reversal of provision) / provision against operating lease receivables	(2,670,310)	-
Expected credit loss on bank balances	89,707	16,025
Provision against ijarah receivables	(2,613,136)	9,282,205
	(5,514,176)	9,893,798

Others

Provision for provincial Workers' Welfare Fund	49,063,338	46,841,380
Provision for services sales tax on Management Company's remuneration	39.1	4,200,438
Impairment charged on investments	19 & 11	250,001
		47,999,601
		158,261,329

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

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

40 REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

- 40.1** The aggregate amount charged in the consolidated financial statements for the year in respect of the remuneration and benefits to the Chief Executive and Executives is as follows:

	2026			
	Chief Executive of the Holding Company	Chief Executive of the Management Company	Executives	Total
	Rupees			
Managerial remuneration	56,671,996	18,314,608	343,725,668	418,712,272
Bonus	16,100,000	4,000,000	146,665,620	166,765,620
House rent and utilities	20,607,996	-	126,144,564	146,752,560
Other perquisites	-	-	121,829,934	121,829,934
Retirement benefits	4,650,743	1,857,955	42,129,037	48,637,735
	98,030,735	24,172,563	780,494,823	902,698,121
Number of persons	1	1	115	117

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

	2025			
	Chief Executive of the Holding Company	Chief Executive of the Management Company	Executives	Total
	Rupees			
Managerial remuneration	52,976,000	22,396,432	272,345,218	347,717,650
Bonus	18,326,832	7,000,000	93,235,992	118,562,824
House rent and utilities	19,263,996	-	107,290,062	126,554,058
Other perquisites	-	-	154,107,342	154,107,342
Retirement benefits	7,171,702	1,903,440	34,044,669	43,119,811
	<u>97,738,530</u>	<u>31,299,872</u>	<u>661,023,283</u>	<u>790,061,685</u>
Number of persons	<u>1</u>	<u>1</u>	<u>104</u>	<u>106</u>

40.2 Executives denote employees, other than the Chief Executive Officer and Directors of the Holding Company, whose basic salary exceeds twelve hundred thousand rupees in a financial year.

40.3 The Chief Executive and certain executives are also provided with the Group maintained cars and other benefits in accordance with their entitlement as per the Group's policy.

40.4 Aggregate amount charged in these consolidated financial statements includes meeting fees paid to 10 non-executive directors amounting to Rs. 23.24 million (June 30, 2025: Rs. 15.75 million to 8 non-executive directors).

	Note	2026	2025
		Rupees	
41 TAXATION			
Current tax	41.1	805,485,716	724,803,787
Prior year tax		3,389,317	(2,486,500)
Deferred tax	25	78,685,423	118,617,925
		<u>887,560,456</u>	<u>840,935,212</u>

41.1 This includes super tax under section 4C of Income tax ordinance.

41.2 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, 2026	June 30, 2025
	Rupees	
Current tax liability as per applicable tax laws	830,959,901	746,632,198
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(808,875,033)	(722,317,287)
Portion of current tax liability as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(22,084,868)	(24,314,911)
Difference	<u>-</u>	<u>-</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

41.3 Effective tax rate reconciliation

Numerical reconciliation between the average tax rate and the applicable tax rate for the year ended June 30, 2026 and June 30, 2025 is as follows.

	June 30, 2026	June 30, 2025
	----- Rupees -----	
Profit before taxation	2,386,551,099	2,325,147,104
Tax at enacted rate of 39%	930,754,929	906,807,371
Tax effect of income subject to levy - final tax regime	(23,137,984)	(57,162,208)
Tax effect of rebates / credits	(517,938)	(9,741,716)
Prior year	3,389,317	(2,486,500)
Permanent differences	(21,276,699)	22,513,198
Effect of change in tax rate	1,197,666	(3,370,154)
Others	(2,848,835)	(15,624,779)
	887,560,456	840,935,212

41.4 Current status of pending tax assessments

Holding Company

Tax Year 1999 to 2000

In the assessment year 1999-2000 the Officer Inland Revenue (OIR) had revised the income tax assessment order of the Holding Company under Section 221 of the Ordinance. The Holding Company had preferred an appeal against the order of the OIR before the Commissioner Inland Revenue [CIR(A)] who confirmed the treatment of the OIR. The Holding Company then filed an appeal before the Appellate Tribunal Inland Revenue (ATIR). The ATIR while deciding the appeal filed by the Holding Company, had remanded back the appellate order dated December 12, 2005 to the CIR(A) to pass speaking order after considering all the relevant facts of the case. The case is still pending adjudication, however, as a matter of prudence, the Holding Company has made adequate provision in respect of the disallowances.

Tax Year 2010 to 2025

Under Section 114 of the Income Tax Ordinance 2001, the Holding Company had filed the returns of income for tax years 2010 to 2025. The said returns were taken to be assessment orders, passed by the Commissioner Inland Revenue on the day the said returns were filed other than tax year 2010, 2011, 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021.

Tax Year 2010, 2011, 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021

Details of the assessment made by the Additional Commissioner Inland Revenue are provided in notes 30.1.1, 30.1.2, 30.1.3, 30.1.4, 30.1.8, 30.1.9 and 30.1.10.

OLP Modaraba

There were no tax assessments outstanding as at June 30, 2026 and June 30, 2025.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

42	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	Note	2026	2025
			Rupees	
	Profit before income tax		2,364,490,454	2,309,723,655
	Adjustments for			
	Depreciation	5.1, 5.3 & 6	394,823,332	545,522,318
	Levy final tax		22,084,868	-
	Amortisation	7.1	1,873,863	2,889,456
	(Reversal of expected credit loss) / provision for lease and other loan losses - net	38	25,470,990	(99,488,135)
	Provision for provincial Workers Welfare Fund	39	49,063,338	46,841,380
	Provision / (reversal of provision) against other receivables	39	(2,901,040)	611,593
	Provision against Ijarah receivable	39	(2,613,136)	9,282,205
	Impairment against investments	39	250,001	97,160,648
	Provision for services sales tax on Management Company's remuneration	39	4,200,438	4,365,503
	Share of profit from associate	34	(129,223,583)	(154,255,506)
	Charge for defined benefit plan - gratuity fund	36.1	15,922,384	20,301,804
	Finance cost including bank charges	35	3,015,788,425	3,351,572,939
	Profit on certificates of deposit	35	352,134,590	672,403,923
	Exchange loss / (gain) - net	33	137,993	(120,513)
	Gain on sale of investments - net	33	(29,555,000)	(139,662,500)
	Unrealised (loss) / gain on remeasurement of financial assets at fair value through profit or loss - net	33	3,938,493	(1,547,638)
	Dividend income	33	(2,074,762)	(31,732,382)
	Return on investments and deposits	33	(60,314,318)	(81,874,138)
	Interest income on government securities	33	(215,231,175)	(313,116,320)
	Gain on disposal of Ijarah assets	33	(11,602,245)	(55,130,794)
	Gain on disposal of property and equipment	33	(14,092,293)	(35,404,993)
			3,418,081,163	3,838,618,850
			5,782,571,617	6,148,342,505

42.1 During the year, the management has reclassified finance cost paid from financing activity to operating activities for better presentation.

43	CASH AND CASH EQUIVALENTS	Note	2026	2025
			Rupees	
	Cash at bank	18	897,431,274	890,542,546
	Cash in hand	18	1,322,796	1,506,697
	Short-term running finance facilities	29	(1,625,510,366)	(2,022,332,080)
			(726,756,296)	(1,130,282,837)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

43.1 Reconciliation of movements of liabilities to cash flows arising from financing activities

2026								
Certificates of deposit	Long term finances	Unclaimed dividend / unpaid dividend	Redeemable capital	Lease liability against right of use asset	Share capital	Share premium	Total	
Rupees								
Balance as at July 01, 2025	2,971,355,939	17,525,665,906	96,745,256	5,633,455,000	193,157,100	1,754,076,470	1,501,683,073	29,676,138,744
Changes from financing cash flows								
Repayment	(761,075,634)	(6,885,214,860)	-	(9,451,077,576)	(93,653,111)	-	-	(17,191,021,181)
Proceeds received	775,611,580	10,488,512,572	-	9,208,282,576	-	-	-	20,472,406,728
Dividend paid	-	-	(1,050,965,650)	-	-	-	-	(1,050,965,650)
Total changes from financing activities	14,535,946	3,603,297,712	(1,050,965,650)	(242,795,000)	(93,653,111)	-	-	2,230,419,897
Other changes								
Additions	(19,433,806)	-	-	-	203,283,607	-	-	183,849,801
Finance cost charged	-	-	-	-	32,635,255	-	-	32,635,255
Dividend declared	-	-	1,078,200,884	-	-	-	-	1,078,200,884
Total other changes	(19,433,806)	-	1,078,200,884	-	235,918,862	-	-	1,294,685,940
Balance as at June 30, 2026	2,966,458,079	21,128,963,618	123,980,490	5,390,660,000	335,422,851	1,754,076,470	1,501,683,073	33,201,244,581

2025								
Certificates of deposit	Long term finances	Unclaimed dividend / unpaid dividend	Redeemable capital	Lease liability against right of use asset	Share capital	Share premium	Total	
Rupees								
Balance as at July 01, 2024	5,336,978,781	12,483,826,290	93,201,410	4,287,535,000	106,100,842	1,754,076,470	1,501,683,073	25,563,401,866
Changes from financing cash flows								
Repayment	(2,676,060,736)	(5,814,939,100)	-	(4,287,535,000)	(69,822,069)	-	-	(12,848,356,905)
Proceeds received	310,437,894	10,856,778,716	-	5,633,455,000	-	-	-	16,800,671,610
Dividend paid	-	-	(964,261,449)	-	-	-	-	(964,261,449)
Total changes from financing activities	(2,365,622,842)	5,041,839,616	(964,261,449)	1,345,920,000	(69,822,069)	-	-	2,988,053,256
Other changes								
Additions	-	-	-	-	131,208,203	-	-	131,208,203
Finance cost charged	-	-	-	-	25,670,124	-	-	25,670,124
Dividend declared	-	-	967,805,295	-	-	-	-	967,805,295
Total other changes	-	-	967,805,295	-	156,878,327	-	-	1,124,683,622
Balance as at June 30, 2025	2,971,355,939	17,525,665,906	96,745,256	5,633,455,000	193,157,100	1,754,076,470	1,501,683,073	29,676,138,744

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

44 SEGMENT INFORMATION

The Group has three primary reporting segments namely, 'Finance lease', 'Loans & Finances' and 'Islamic Finance', based on the nature of business and the related risks and returns associated with these segments. The finance lease operations are primarily for long-term leases of movable assets to corporate entities and individuals. Loans & finances are primarily extended to corporate entities and individuals for purchase of saloon vehicles. Islamic Finance includes Ijarah and Diminishing Musharakah to corporate entities and individuals. Other operations, which do not fall into the above segment categories and are not deemed by the management to be sufficiently significant to disclose as separate items, are reported under 'Others'.

44.1 Segment analysis is given below:

	2026				
	Finance lease	Loans and finances	Islamic Finance	Others	Total
	Rupees				
Segment revenues	1,582,577,425	4,456,574,633	1,431,225,592	666,707,466	8,137,085,116
Finance cost	(555,578,433)	(1,752,633,290)	(655,515,763)	(431,616,954)	(3,395,344,440)
Administrative and general expenses	(404,849,696)	(1,277,142,907)	(289,159,698)	(43,167,643)	(2,014,319,944)
Direct cost	(4,535,896)	(29,991,920)	(229,617,864)	(3,253,362)	(267,399,042)
(Provisions) / reversals - net	7,576,905	7,396,975	(37,831,734)	(1,549,399)	(24,407,253)
Segment results	625,190,305	1,404,203,491	219,100,533	187,120,108	2,435,614,437
Provision for provincial worker's welfare fund					(49,063,338)
Provision for taxation					(909,645,324)
Profit for the year					1,476,905,775
Other information					
Segment assets	7,086,206,744	24,939,600,696	7,466,281,951	5,473,003,609	44,965,093,000
Unallocated assets					3,577,219,261
Total assets					48,542,312,261
Segment liabilities	47,859,713	273,550,791	134,281,200	-	455,691,704
Unallocated liabilities					35,478,017,745
Total liabilities					35,933,709,449
Capital expenditure	-	-	18,831,420	-	18,831,420
Depreciation and amortisation	-	-	229,617,864	-	229,617,864
Unallocated					
Capital expenditure - property and equipment for own use					33,228,839
Additions made to intangible assets					40,024,241
Unallocated depreciation and amortisation					167,079,331

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For the Year Ended June 30, 2026

	2025				
	Finance lease	Loans and finances	Islamic Finance	Others	Total
	Rupees				
Segment revenues	1,971,192,464	4,231,663,593	1,792,718,475	931,672,383	8,927,246,915
Finance cost	(773,515,171)	(1,792,275,629)	(864,953,048)	(682,895,258)	(4,113,639,106)
Administrative and general expenses	(501,557,709)	(1,162,135,781)	(274,822,753)	(50,555,805)	(1,989,072,048)
Direct cost	(5,958,956)	(26,572,988)	(406,443,657)	(1,639,861)	(440,615,462)
(Provisions) / reversals - net	240,694,755	(98,050,920)	(52,490,640)	(102,085,011)	(11,931,816)
Segment results	930,855,383	1,152,628,275	194,008,377	94,496,447	2,371,988,482
Provision for provincial worker's welfare fund					(46,841,380)
Provision for taxation					(882,695,813)
Profit for the year					1,442,451,289
Other information					
Segment assets	7,618,345,307	20,541,974,949	7,583,676,941	4,853,535,838	40,597,533,035
Unallocated assets					3,005,950,443
Total assets					43,603,483,478
Segment liabilities	46,709,812	257,933,113	278,574,576	1,861,153	585,078,654
Unallocated liabilities					31,374,888,527
Total liabilities					31,959,967,181
Capital expenditure	-	-	469,968,805	-	469,968,805
Depreciation and amortisation	-	-	406,443,657	-	406,443,657
Unallocated					
Capital expenditure - fixed assets for own use					162,151,461
Additions made to intangible assets					13,063,754
Unallocated depreciation and amortisation					141,445,576

44.2 Segment by class of business

An analysis by class of business of the Group's net investment in finance leases and loans and finances is given below:

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

Sectors	2026		2025	
	(Rupees)	%	(Rupees)	%
Individuals	13,504,656,143	33.57%	11,939,481,262	33.27%
Goods transport	4,093,869,270	10.21%	3,189,637,034	8.89%
Public transport	2,114,600,935	5.28%	1,135,254,501	3.16%
Services	3,089,941,435	7.71%	3,553,220,742	9.90%
Distributor	1,359,234,018	3.39%	1,015,084,332	2.83%
Textile and Allied	2,132,624,394	5.32%	2,250,199,885	6.27%
Trading	2,901,748,263	7.24%	2,160,530,539	6.02%
Fuel and Energy	1,798,537,297	4.49%	1,911,451,277	5.33%
Construction	1,143,421,162	2.86%	1,268,562,674	3.53%
Chemical and Pharmaceutical	1,017,323,823	2.54%	949,283,892	2.65%
Glass, Ceramics and Plastic	520,032,881	1.30%	765,188,724	2.13%
Food and Allied	1,103,965,312	2.76%	1,106,768,798	3.08%
Miscellaneous	578,523,284	1.45%	402,717,665	1.12%
Steel and Engineering	1,457,397,879	3.64%	1,187,769,971	3.31%
Paper, Board and Printing	1,250,070,712	3.12%	871,258,913	2.43%
Automotive Industry	325,787,047	0.82%	318,732,316	0.89%
Natural Resource and Farming	1,077,881,369	2.69%	755,426,800	2.10%
Sugar	355,706,830	0.89%	684,828,644	1.91%
Cables, Electric and Electronic Goods	281,011,910	0.72%	423,299,573	1.18%
	<u>40,106,333,964</u>	<u>100.00%</u>	<u>35,888,697,542</u>	<u>100.00%</u>

Reconciliation of the Group's gross net investment in finance leases and other finances and loans is given below:

	2026	2025
	Rupees	
Net investment in finance leases	7,388,843,972	7,957,688,465
Loans and finances	32,717,489,992	27,931,009,077
	<u>40,106,333,964</u>	<u>35,888,697,542</u>

44.3 Segment by sector

The Group's net investment in finance lease and other loans and finances includes exposure to private sector of Rs. 26.60 million (June 30, 2025: Rs.23.95 million).

44.4 Geographical segment analysis

The Group's operations are restricted to Pakistan only.

45 TRANSACTIONS WITH RELATED PARTIES

The Group has related party relationships with its related group companies, associated companies, staff provident fund, staff gratuity fund, directors and key management personnel and entities over which the directors or key management personnel are able to exercise significant influence.

The Group in the normal course of business carries out transactions with various related parties. These transactions are executed substantially on the same terms as those prevailing at the time of comparable transactions with unrelated parties and do not involve more than a normal risk. The transactions with Key Management Personnel are in accordance with the terms of the Group's HR Policies. Amounts due from and due to related parties are disclosed in the relevant notes to the consolidated financial statements.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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45.1 Transactions with related parties during the year are given below:

	2026	2025
	Rupees	
ORIX Corporation, Japan - Parent Company - 49.58% Holding		
Dividend paid - net of tax	442,411,621	402,192,382
Re-imbursement of cost	66,000	960,950
Yanal Finance Company		
- Associate / Common directorship 2.5% ownership		
Dividend received	121,431,403	121,290,321
Reimbursement of cost	4,071,160	1,979,997
OPP (Private) Limited - 45% ownership		
Impairment charged	-	87,754,399
OLP Financial Services Pakistan Limited - Employees Provident Fund		
Contribution made	33,714,365	32,935,277
ORIX Modaraba - Staff Provident Fund		
Contribution made	6,894,436	6,852,148
OLP Financial Services Pakistan Limited - Staff Gratuity Fund		
Contribution made	11,941,790	20,301,804
ORIX Modaraba - Staff Gratuity Fund		
Contribution made	5,742,699	5,695,731
Refund received by the Modaraba	1,415,717	1,921,331
Donation paid - Common Directorship		
The Layton Rahmatullah Benevolent Trust	2,500,000	1,500,000
Charity paid - Common Directorship		
The Layton Rahmatullah Benevolent Trust	1,000,000	2,000,000
The Patients' Behbood Society for AKU	1,000,000	2,000,000
Other related party transactions during the year		
Directors and key management personnel		
Compensation of directors and key management personnel		
Director fees paid to the directors of Holding Company	13,650,000	15,750,000
Director fees paid to the directors of Subsidiary Company	8,800,000	4,725,000
Short-term employee benefits	374,756,567	394,536,993
Retirement benefits	21,109,938	22,932,562
Total compensation to directors and key management personnel	418,316,505	437,944,555

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	2026	2025
	Rupees	
Amount of profit on certificates of deposit issued to key management personnel	-	427,579
Redemption of certificates of deposit issued to key management personnel	-	2,001,172
Staff loans disbursed to key management personnel	15,615,200	9,662,400
Interest recovered on staff loans to key management personnel	4,811,082	5,900,440
Principal recovered on staff loans to key management personnel	11,657,171	28,745,709
Redeemable capital redeemed (net)	45,550,000	39,750,000
Profit on redeemable capital	2,060,439	5,802,477
Dividend paid to key management personnel of Holding Company	195,136	151,393
Dividend paid to the directors of Holding Company	294,460	257,040
Dividend paid to the directors of Subsidiary Company	15,123	12,098
Dividend paid by the Chief Executive Officer of the Holding Company	3,278,465	2,953,150
45.2 The balances with related parties as at year end:		
Investment in associate - Yanal Finance Company - 2.5% ownership	1,753,135,634	1,775,618,949
Outstanding loans to key management personnel	38,935,150	40,522,939
Accrued interest on loans to key management personnel	55,750	22,725
Outstanding redeemable capital to key management personnel	33,600,000	33,650,000
Profit payable on redeemable capital to key management personnel	2,378,418	3,721,000
Receivable from Yanal Finance Company - an associate	954,045	2,094,320
Receivable from ORIX Corporation, Japan - Parent Company	-	52,422

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46 STAFF STRENGTH

	2026	2025
	----- Number of staff -----	
Group's staff strength at the end of the year	446	459
Average number of employees*	452	435

* Represents the average taken of the number of employees at the end of each month in the year. This average has been calculated for the Group's employees.

47 PROVIDENT FUND RELATED DISCLOSURES

47.1 Operated by the Holding Company

The Holding Company operates Staff Provident Fund for its employees. The following information is based on the financial statements of the Fund as at June 30, 2026 (unaudited) and June 30, 2025 (audited) respectively:

	Note	2026 Unaudited	2025 Audited
		----- Rupees -----	
Size of the Fund - total assets		974,947,697	958,418,601
Fair value of investments	47.1.1	965,022,765	941,639,724
		----- Percentage -----	
Percentage of investments made		99%	98%

The cost of the above investments amounted to Rs. 900.52 million (June 30, 2025: Rs. 890.51 million).

47.1.1 The break-up of fair value of investments is as follows:

	Unaudited 2026	Audited 2025	Unaudited 2026	Audited 2025
	----- Percentage -----		----- Rupees -----	
Cash and bank deposits	0.52%	1.33%	5,031,012	12,544,711
Government securities				
- Treasury Bills	78.59%	59.51%	758,373,351	560,344,427
- Pakistan Investment Bonds	18.82%	37.04%	181,622,402	348,754,586
- Debt Securities - Listed (TFC)	2.07%	2.12%	19,996,000	19,996,000
	100.00%	100.00%	965,022,765	941,639,724

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The investments of the provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

47.2 Operated by the Modaraba

47.2.1 The Modaraba has set up provident fund for its permanent employees and the contributions are made by the Modaraba to the fund. The total contribution made to the provident fund for the year ended June 30, 2026 was Rs.6.894 million (June 30, 2025: Rs. 6.846 million). The audit of the provident fund for the year ended June 30, 2026 is in progress. The total assets of the provident fund, based on the unaudited financial statements as at June 30, 2026 amounted to Rs. 49.125 million (June 30, 2025: Rs. 54.027 million), out of which 87.80% (June 30, 2025: 74.27%) was invested in different financial instruments categories while 12.20% (June 30, 2025: 24.45%) as deposits with Banks in remunerative accounts. The fair value as at June 30, 2026 of investments of the provident fund amounted to Rs. 43.128 million (June 30, 2025: Rs.40.124 million). The investments out of provident fund have been made in accordance with the requirements of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

46.2.2 The Modaraba has set up defined contribution scheme for its permanent employees and the contributions are made by the Modaraba to the fund. The total contribution made to the defined contribution scheme for the year ended June 30, 2026 was Rs. 5.743 million (June 30, 2025: Rs. 6.570 million). The audit of the defined contribution scheme for the year ended June 30, 2026 is in progress. The total assets of the defined contribution scheme, based on the unaudited financial statements as at June 30, 2026 amounted to Rs. 44.700 million (June 30, 2025: Rs. 57.133 million), out of which 75.47% (June 30, 2025: 56.31%) was invested in different financial instruments categories while 24.37% (June 30, 2025: 43.48%) as deposits with Banks in remunerative accounts. The fair value as at June 30, 2026 of investments of the defined contribution scheme amounted to Rs. 33.734 million (June 30, 2025: Rs. 32.171 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.

48 FINANCIAL INSTRUMENTS BY CATEGORY

	2026		
	At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income
	Rupees		
ASSETS			
Net investment in finance lease	7,086,206,705	-	-
Loans and finances	32,958,866,603	-	-
Long-term investments	-	-	25,721,833
Long-term deposits	11,550,693	-	-
Short-term investments	-	2,862,480,714	-
Other receivables	588,637,087	-	-
Cash and bank balances	898,648,338	-	-
	41,543,909,426	2,862,480,714	25,721,833
			44,432,111,973

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LIABILITIES

Long-term finances
Privately placed term finance certificates
Certificates of deposit
Redeemable capital
Accrued and other liabilities
Security deposits
Lease liability against right-of-use assets
Unclaimed dividend
Short-term borrowings

2026		
At fair value through profit or loss	At amortised cost	Total
Rupees		
-	20,926,106,992	20,926,106,992
-	373,268,127	373,268,127
-	3,206,779,028	3,206,779,028
-	5,439,987,424	5,439,987,424
-	2,547,309,537	2,547,309,537
-	134,281,200	134,281,200
-	335,422,851	335,422,851
-	123,980,490	123,980,490
-	1,674,711,726	1,674,711,726
-	34,761,847,375	34,761,847,375

ASSETS

Net investment in finance lease
Loans and finances
Long-term investments
Long-term deposits
Short-term investments
Other receivables
Cash and bank balances

2025			
At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
Rupees			
7,618,095,306	-	-	7,618,095,306
28,191,886,627	-	-	28,191,886,627
-	-	22,095,195	22,095,195
11,120,680	-	-	11,120,680
-	2,342,693,585	-	2,342,693,585
550,615,859	-	-	550,615,859
892,033,218	-	-	892,033,218
37,263,751,690	2,342,693,585	22,095,195	39,628,540,470

LIABILITIES

Long-term finances
Privately placed term finance certificates
Certificates of deposit
Redeemable capital
Accrued and other liabilities
Security deposits
Lease liability against right-of-use asset
Unclaimed dividend
Short-term borrowings

2025		
At fair value through profit or loss	At amortised cost	Total
Rupees		
-	16,567,865,644	16,567,865,644
-	1,121,664,975	1,121,664,975
-	3,174,286,837	3,174,286,837
-	5,682,548,521	5,682,548,521
-	1,611,900,798	1,611,900,798
-	278,574,576	278,574,576
-	193,157,100	193,157,100
-	96,745,256	96,745,256
-	2,073,380,343	2,073,380,343
-	30,800,124,050	30,800,124,050

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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49 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks which mainly include market risk, credit risk and liquidity risk. The Board of Directors of the Holding Company has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is also responsible for developing and monitoring the Group's risk management policies.

49.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices. Market risk comprises three types of risks: currency risk, yield / interest rate risk and other price risk.

49.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group incurs currency risk in US dollar, Saudi Riyal and Egyptian Pound on account of its foreign currency bank account, held for sale investments and investment in associate. The Group's exposure to foreign currency transactions is as follows:

	2026	2025
	----- Rupees -----	
Foreign currency bank account	7,845,087	8,040,372
Investment in associate	1,753,135,634	1,775,618,949

As at June 30, 2026, if the Pakistani Rupee had strengthened / weakened by 10% against these currencies with all other variables held constant, the impact on the total comprehensive income would have been lower / higher by an amount of Rs. 175.31 million (June 30, 2025: Rs. 177.56 million).

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

49.1.2 Yield / interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Group has adopted appropriate policies to minimise its exposure to this risk. The interest rate profile of the Group's significant interest bearing financial instruments and the periods in which these will mature are as follows:

2026								
Exposed to yield / interest rate risk							Not exposed to	
Effective yield / profit rate %	Total	Upto one month	Over one month to three months	Over three months to one year	Over one year to five years	Over five years	yield / profit rate risk	
On-balance sheet financial instruments								
Financial assets								
Net investment in finance lease	14.80% to 34%	7,086,206,705	499,399,211	613,690,736	2,412,605,342	3,560,511,416	-	-
Loans and finances	12.81% to 44.88%	32,958,866,603	4,076,425,255	5,074,734,322	11,194,620,444	12,548,702,387	64,384,195	-
Long-term investments		25,721,833	-	-	-	-	-	25,721,833
Long-term deposits		11,550,693	-	-	-	-	-	11,550,693
Short-term investments	9.93% to 12.93%	2,862,480,714	248,193,523	1,324,667,047	1,289,578,441	-	-	41,703
Other receivables		588,637,087	-	-	-	-	-	588,637,087
Cash and bank balances	5.00% to 20.50%	898,648,338	802,580,082	-	-	-	-	96,068,256
Total		44,432,111,973	5,626,598,071	7,013,092,105	14,896,804,227	16,109,213,803	64,384,195	722,019,572
Financial liabilities								
Long-term finances	12.08% to 23.72%	20,926,106,992	525,584,488	2,368,603,798	5,313,549,499	12,706,881,779	-	-
Privately placed term finance certificates	12.60%	373,268,127	-	186,539,930	186,728,197	-	-	-
Certificates of deposit	6.73% to 18.25%	3,206,779,028	226,929,911	298,235,888	2,585,433,280	96,179,949	-	-
Redeemable capital	10.00% to 11.55%	5,390,660,000	310,205,000	2,882,700,000	2,058,750,000	139,005,000	-	-
Accrued and other liabilities		2,547,309,537	-	-	-	-	-	2,547,309,537
Security deposits		134,281,200	-	-	-	-	-	134,281,200
Lease liability against right-of-use asset		335,422,851	-	-	-	-	-	335,422,851
Unclaimed dividend		123,980,490	-	-	-	-	-	123,980,490
Short-term borrowings	11.89% to 12.78%	1,674,711,726	1,674,711,726	-	-	-	-	-
Total		34,712,519,951	2,737,431,125	5,736,079,616	10,144,460,976	12,942,066,728	-	3,275,275,278
On-balance sheet gap (a)		9,719,592,022	2,889,166,946	1,277,012,489	4,752,343,251	3,167,147,075	64,384,195	(2,553,255,706)
Off-balance sheet financial instruments								
Off-balance sheet gap (b)		-	-	-	-	-	-	-
Total interest rate sensitivity gap (a+b)		9,719,592,022	2,889,166,946	1,277,012,489	4,752,343,251	3,167,147,075	64,384,195	-
Cumulative interest rate sensitivity gap		9,719,592,022	2,889,166,946	4,166,179,435	8,918,522,686	12,085,669,761	12,150,053,956	-

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2025								
Exposed to yield / interest rate risk							Not exposed to	
Effective yield / profit rate %	Total	Upto one month	Over one month to three months	Over three months to one year	Over one year to five years	Over five years	yield / profit rate risk	
On-balance sheet financial instruments								
Financial assets								
Net investment in finance lease	12% to 34%	7,618,095,306	506,768,351	702,003,090	2,673,430,565	3,735,893,300	-	-
Loans and finances	12.81% to 44.88%	28,191,886,627	2,393,876,960	1,622,965,027	6,969,193,291	16,988,287,429	217,563,920	-
Long-term investments		22,095,195	-	-	-	-	-	22,095,195
Long-term deposits		11,120,680	-	-	-	-	-	11,120,680
Short-term investments	11.25% to 21.57%	2,342,693,585	497,332,287	1,324,360,288	361,265,604	-	-	159,735,406
Other receivables		550,615,859	-	-	-	-	-	550,615,859
Cash and bank balances	4.00% to 20.50%	892,033,218	747,825,689	-	-	-	-	144,207,529
Total		39,628,540,470	4,145,803,287	3,649,328,405	10,003,889,460	20,724,180,729	217,563,920	887,774,669
Financial liabilities								
Long-term finances	11.47% to 22.77%	16,567,865,644	258,093,031	754,861,111	3,990,596,044	11,564,315,458	-	-
Privately placed term finance certificates	11.95%	1,121,664,975	(410,057)	186,679,797	560,395,393	374,999,842	-	-
Certificates of deposit	6.73% to 18.25%	3,174,286,837	274,737,685	279,889,093	1,978,119,745	641,540,314	-	-
Redeemable capital	6% to 11.55%	5,682,548,521	1,113,998,521	1,994,550,000	2,471,800,000	102,200,000	-	-
Accrued and other liabilities		1,611,900,798	-	-	-	-	-	1,611,900,798
Security deposits		278,574,576	-	-	-	-	-	278,574,576
Lease liability against right-of-use asset		193,157,100	-	-	-	-	-	193,157,100
Unclaimed dividend		96,745,256	-	-	-	-	-	96,745,256
Short-term borrowings	11.83% to 18%	2,073,380,343	2,073,380,343	-	-	-	-	-
Total		30,800,124,050	3,719,799,523	3,215,980,001	9,000,911,182	12,683,055,614	-	2,180,377,730
On-balance sheet gap (a)		8,828,416,420	426,003,764	433,348,404	1,002,978,278	8,041,125,115	217,563,920	(1,292,603,061)
Off-balance sheet financial instruments		-	-	-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-	-	-
Total interest rate sensitivity gap (a+b)		8,828,416,420	426,003,764	433,348,404	1,002,978,278	8,041,125,115	217,563,920	-
Cumulative interest rate sensitivity gap		8,828,416,420	426,003,764	859,352,168	1,862,330,446	9,903,455,561	10,121,019,481	-

a) Sensitivity analysis for variable rate financial instruments

The Group has extended KIBOR based long-term leases and finances to various counter parties that expose the Group to cash flow interest rate risk. In case of increase / decrease in KIBOR by 100 basis points on the last repricing date with all other variables held constant, the profit before tax would have been higher / lower by Rs. 351.62 million (June 30, 2025: Rs. 329.12 million).

Furthermore, the Group also has KIBOR based financial liabilities in Pakistani Rupees representing short-term running finance arrangements, short-term and long-term finances obtained from various financial institutions and certificates of deposit which expose the Group to cash flow interest rate risk. In case of increase / decrease in KIBOR by 100 basis points on the last repricing date with all other variables held constant, the profit before tax for the year ended June 30, 2026 would have been lower / higher by Rs. 315.59 million (June 30, 2025: Rs. 281.59 million).

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The Company holds short term and long term unutilised credit lines with banks amounting to Rs. 2,118 million and Rs. 750 million respectively as at June 30, 2026 (June 30, 2025: Rs. 1,028 million and Rs 1,700 million).

b) Sensitivity analysis for fixed rate financial instruments

As at June 30, 2026, the Group holds Market Treasury Bills which are classified as 'financial assets at fair value through profit or loss', exposing the Group to fair value interest rate risk. In case of 100 basis points increase / decrease in rates announced by the Financial Markets Association of Pakistan for Market Treasury Bills with all other variables held constant, the net profit for the year and net assets of the Company would have been higher / lower by Rs. 4.67 million (June 30, 2025: Rs.7.70 million).

49.1.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

49.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The risk is generally limited to principal amounts and accrued profit thereon, if any. The Group has established procedures to manage credit exposure including credit approval limit, credit exposure limits, collateral and guarantee requirements. These procedures incorporate both internal guidelines as well as the requirements of the NBFC Rules and the NBFC Regulations. The Group also manages credit risk through an independent credit department which evaluates customers' credit worthiness and obtains adequate securities where applicable.

All investing transactions are settled / paid for upon delivery. The Group's policy is to enter into financial instrument contract by following internal guidelines for approval.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The concentration of credit risk indicates the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location. Significant concentration of the Group's risk assets by class of business, industry sector and geographical region is set out in note 44.2.

The Group applies IFRS 9 simplified approach for leases and general approach for loans, Diminishing Musharika and Ijarah financing to determine ECL. Probability of default (PD) represents the likelihood that a counterparty will default within the next 12 months (12-month ECL, Stage 1) or over the remaining lifetime of the financial instrument (lifetime ECL, Stage 2). The Group employs a Roll Rate/ Transition Matrix model to analyze monthly migration of obligors across Days Past Due (DPD) buckets, defined in 30-day intervals, based on historical data. These through-the-cycle PDs are then adjusted to point-in-time PDs using the Vasicek Distribution Framework, which incorporates forward-looking macroeconomic variables such as Pakistan's Gross Domestic Product (GDP) and Consumer Price Index (CPI).

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	Carrying value		Maximum exposure	
	2026	2025	2026	2025
	Rupees			
Net investment in finance lease	7,086,206,705	7,618,095,306	7,086,206,705	7,618,095,306
Loans and finances	32,958,866,603	28,191,886,627	32,958,866,603	28,191,886,627
Long-term investments	25,721,833	22,095,195	-	-
Long-term deposits	11,550,693	11,120,680	11,550,693	11,120,680
Short-term investments	2,862,480,714	2,342,693,585	-	-
Other receivables	588,637,087	550,615,859	588,637,087	550,615,859
Bank balances	897,431,274	890,542,546	897,325,542	890,526,521
	<u>44,430,894,909</u>	<u>39,627,049,798</u>	<u>41,542,586,630</u>	<u>37,262,244,993</u>

Difference in the balance as per the carrying value and maximum exposure is due to the fact that investments in Government securities, equity securities and cash in hand are not exposed to credit risk.

The Group controls the credit quality of receivables through diversification of activities to avoid undue concentration of risks with individuals, groups or specific industry segments. For such purpose, the Group has established exposure limits for single lessees and industrial sectors. The Group has an effective rental monitoring system which allows it to evaluate customers' credit worthiness and identify potential problem accounts. An allowance for potential lease, instalment and other loan losses is maintained at a level which, in the judgment of management, is adequate to provide for potential losses on lease and other loan portfolios that can be reasonably anticipated. The credit quality of receivables can be assessed with reference to their historical performance with no or some defaults in recent history.

The carrying value of receivables which are past due are as under:

	2026			
	Finance lease (net of security deposit)	Loans and Finances	Investments & other receivables	Total
	Rupees			
Within 90 days	-	12,500,771	-	12,500,771
91 - 180 days	24,523,083	98,380,593	-	122,903,676
181-365 days	16,254,362	39,782,367	-	56,036,729
Over 1 Year	279,630,595	352,243,620	45,888,695	677,762,910
	320,408,040	502,907,351	45,888,695	869,204,086
Less: general and specific provision	302,637,267	441,395,791	60,447,633	804,480,691
Net of Provision	<u>17,770,773</u>	<u>61,511,560</u>	<u>(14,558,938)</u>	<u>64,723,395</u>
Coverage ratio	<u>94.45%</u>	<u>87.77%</u>	<u>131.73%</u>	<u>92.55%</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

	2025			
	Finance lease (net of security deposit)	Loans and Finances	Investments & other receivables	Total
	Rupees			
Within 90 days	7,345,557	5,070,287	-	12,415,844
91 - 180 days	26,170,695	199,960,213	-	226,130,908
181-365 days	15,562,738	90,414,623	-	105,977,361
Over 1 Year	314,605,989	179,527,136	58,630,451	552,763,576
	363,684,979	474,972,259	58,630,451	897,287,689
Less: General and specific provision	339,593,159	424,669,198	65,945,790	830,208,147
Net of provision	24,091,820	50,303,061	(7,315,339)	67,079,542
Coverage Ratio	93.38%	89.41%	112.48%	92.52%

The credit quality of the Group's bank balances and investment portfolio are assessed with reference to external credit ratings which in all cases are above investment grade rating.

The Group maintains balances with banks and mutual funds (i.e daily dividend income funds) having reasonably high credit ratings which are summarized as follows:

	2026	2025
	Rupees	
Bank balances		
AAA	284,415,978	565,552,740
AA+	178,002,422	426,339
AA	11,807,044	18,565,699
A+	420,522,700	304,776,165
AA-	1,454,265	157,553
State bank of Pakistan	1,270,568	1,064,050
	897,472,977	890,542,546

Impairment on bank balances has been measured on a 12-month expected credit loss basis, reflecting the short-term maturity of the exposure. The Company considers its bank balances to have low credit risk based on the external rating of the counterparty. The 12-month probabilities of default are based on historical data provided by the External Rating Agency for the relevant credit rating. The loss given default (LGD) parameters generally reflect assumed recovery rates in line with those set out in the Basel Guidelines for unsecured exposures.

The Group does not hold any other financial asset which are rated.

49.2.1 The Group applies the IFRS 9 simplified approach to measure expected credit losses for net investment in finance lease. To measure the expected credit losses, such financial assets have been grouped based on days past due. On that basis, the loss allowance as at June 30, 2026 and June 30, 2025 was determined as follows:

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

Net investment in finance lease

	2026			2025		
	Expected loss rate	Gross carrying amount	Expected Credit loss/ provision	Expected loss rate	Gross carrying amount	Expected Credit loss/ provision
	Rupees					
Not yet due	0.08%	6,026,537,763	4,528,136	0.06%	6,989,502,914	4,008,217
1-30 days	0.39%	2,091,488,162	8,144,978	0.29%	1,672,593,371	4,832,100
31-90 days	0.86%	495,294,199	4,254,099	1.60%	543,374,105	8,692,370
91-365 days	23.78%	46,025,290	10,943,100	45.81%	48,196,678	22,078,750
More than 365 days	74.38%	369,394,091	274,766,954	72.63%	413,048,912	299,981,722
Total			302,637,267			339,593,159

Other receivables

	2026			2025		
	Expected loss rate	Gross carrying amount	Expected Credit loss/ provision	Expected loss rate	Gross carrying amount	Expected Credit loss/ provision
	Rupees					
Not yet due	0.00%	-	-	0.00%	-	-
1-30 days	0.00%	-	-	0.00%	-	-
31-90 days	0.00%	-	-	0.00%	-	-
91-365 days	0.00%	-	-	0.00%	-	-
More than 365 days	100.00%	60,341,901	60,341,901	100.00%	65,945,790	65,945,790
Total			60,341,901			65,945,790

For loans and other financial assets, a lifetime ECL is recorded in which there has been Significant Increase in Credit Risk (SICR) from the date of initial recognition and for financial assets which are credit impaired as on reporting date. A 12-months ECL is recorded for all other financial assets which do not meet the criteria for SICR or "credit impaired" as at reporting date. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Group also considers reasonable and supportive forward-looking information in determination of ECL.

49.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as these fall due. Liquidity risk arises because of the possibility that the Group will be required to pay its liabilities earlier than expected or will face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

The table below summarises the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2026				
	Carrying amount	Contractual cash flows	Upto three months	More than three months and upto one year	More than one year
	Rupees				
Long-term finances	20,926,106,992	25,289,679,849	2,421,123,773	7,155,001,806	15,713,554,270
Privately placed					
term finance certificates	373,268,127	392,799,658	199,409,590	193,390,068	-
Certificates of deposit	3,206,779,028	3,206,779,028	525,165,799	2,585,433,280	96,179,949
Redeemable capital	5,390,660,000	5,439,987,424	1,742,232,424	2,058,750,000	1,639,005,000
Accrued and other liabilities	2,547,309,537	2,547,309,537	2,547,309,537	-	-
Security deposits	134,281,200	134,281,200	28,408,128	55,054,026	50,819,046
Lease liability against right of use asset	335,422,851	202,468,334	13,386,828	46,649,365	142,432,141
Unclaimed dividend	123,980,490	123,980,490	123,980,490	-	-
Short-term borrowings	1,674,711,726	1,878,564,937	64,090,822	1,814,474,115	-
	<u>34,712,519,951</u>	<u>39,215,850,457</u>	<u>7,665,107,391</u>	<u>13,908,752,660</u>	<u>17,641,990,406</u>

	2025				
	Carrying amount	Contractual cash flows	Upto three months	More than three months and upto one year	More than one year
	Rupees				
Long-term finances	16,567,865,644	20,318,557,174	1,452,769,108	5,245,337,185	13,620,450,881
Privately placed					
term finance certificates	1,121,664,975	1,242,665,753	221,328,904	629,483,682	391,853,167
Certificates of deposit	3,174,286,831	3,727,814,139	515,438,922	2,140,203,107	1,072,172,110
Redeemable capital	5,682,548,521	5,633,455,000	3,059,455,000	2,471,800,000	102,200,000
Accrued and other liabilities	1,611,900,798	1,611,900,798	1,611,900,798	-	-
Security deposits	278,574,576	278,574,576	-	-	-
Lease liability against right of use asset	193,157,100	196,648,833	18,232,927	44,640,151	133,775,755
Unclaimed dividend	96,745,256	96,745,256	96,745,256	-	-
Short-term borrowings	2,073,380,343	2,304,406,360	141,176,089	2,163,230,271	-
	<u>30,800,124,050</u>	<u>35,410,767,889</u>	<u>7,117,047,004</u>	<u>12,694,694,396</u>	<u>15,320,451,913</u>

50 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

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

The fair values of investments classified as "at fair value through profit or loss" and "at fair value through other comprehensive income" is based on active market. The investment in associate is accounted for using the equity method.

Fair values of net investments in finance lease, long term loans and finances, long term deposits and other assets, other liabilities, long term certificates of deposit and other accounts are approximate to their carrying value. The provision for impairment of finance lease and long term loans and finances has been calculated in accordance with the accounting policy mentioned in note 3.10.5.

In the opinion of management, fair values of the remaining financial assets and liabilities are not significantly different from their carrying values since these assets and liabilities are short term in nature or are periodically repriced.

Fair value hierarchy

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

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

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

	2026			
	Level 1	Level 2	Level 3	Total
Financial assets	Rupees			
Financial assets at fair value through other comprehensive income				
Ordinary shares-unlisted	-	4,102,903	-	4,102,903
Ordinary shares-listed	21,618,930	-	-	21,618,930
Financial assets at fair value through profit or loss				
Market treasury bills (T-bills)	-	2,862,439,011	-	2,862,439,011
Mutual funds	41,703	-	-	41,703
Non-financial assets				
Property and equipment (Leasehold land and building)*	-	1,161,843,100	-	1,161,843,100
Total	21,660,633	4,028,385,014	-	4,050,045,647

	2025			
	Level 1	Level 2	Level 3	Total
Financial assets	Rupees			
Financial assets at fair value through other comprehensive income				
Ordinary shares-unlisted	-	20,337,366	-	20,337,366
Ordinary shares-listed	11,164,079	-	-	11,164,079
Financial assets at fair value through profit or loss				
Market treasury bills (T-bills)	-	2,182,958,179	-	2,182,958,179
Mutual funds	-	159,735,406	-	159,735,406
Non-financial assets				
Leasehold land & building *	-	965,951,564	-	965,951,564
Total	11,164,079	3,328,982,515	-	3,340,146,594

Item	Valuation approach and input used
Market Treasury bills	The fair value of Market Treasury bills is derived using PKRV rates. PKRV rates are is average of the yield-to-maturity on government securities traded in the secondary market and determined at the end of day. The yield-to-maturity on government securities is quoted by the six (06) brokerage houses keeping in view the yield-to-maturity on government securities traded in the secondary market.
Property and equipment (leasehold land and office building)*	The revaluation by the valuer is carried out on the basis of professional assessment of present market values.
Ordinary shares	The fair value of listed ordinary shares is determined using quoted prices (unadjusted) listed on Pakistan Stock Exchange. The fair value of unlisted ordinary shares is determined using the market approach, based on the Price-to-Earnings (P/E) multiple derived from comparable companies and adjusted for lack of marketability to reflect the unlisted nature of the investment.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

- * Leasehold land and building are carried at revalued amounts (level 2 measurement) determined by professional valuers based on their assessment of the market values as disclosed in notes 5 to these consolidated financial statements. The valuation experts used a market based approach to arrive at the fair value of the Holding Company's properties. The approach uses prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties.

51 CAPITAL RISK MANAGEMENT

The objective of the Group when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its business.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to its shareholders or issue new shares.

As required under the NBFC Regulations, every Investment finance company involved in deposit taking shall maintain a capital adequacy ratio of 8% of the Total Risk Weighted Assets (RWA) for the first two years after the amendment coming into force and thereafter at the rate of 10% of RWA. The Holding Company has maintained and complied with the minimum equity requirement during the current year.

52 EARNINGS PER SHARE - basic and diluted

	2026	2025
	Rupees	
Profit for the year after taxation attributable to equity holders of the Holding Company (Rupees)	1,348,365,975	1,303,189,813
Profit from continuing operations attributable to equity holders of the Holding Company (Rupees)	1,348,341,752	1,320,635,505
Weighted average number of ordinary shares	175,407,647	175,407,647
Earnings per share - basic and diluted (Rupees)	7.69	7.43
Earnings per share - continuing operations - basic and diluted (Rupees)	7.69	7.53

- 52.1 Diluted earnings per share has not been presented separately as the Holding Company did not have any convertible instruments in issue at June 30, 2026 and June 30, 2025 which would have had any effect on the earnings per share.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

53 DISCONTINUED OPERATIONS

The results of workshop operations (discontinued) for the year are presented below:

Revenue	
Elimination of intersegment revenue	
External revenue	
Expenses	
Elimination of expenses related to inter-segment sales	
External expenses	
Result from operating activities	
Income Tax	
Result from operating activities - net of tax	
Gain on sale of discontinued operation	
Gain from discontinued operation net of tax	

2026	2025
----- Rupees -----	
24,223	26,242,961
-	(2,733,236)
24,223	23,509,725
-	50,444,182
-	(11,369,808)
-	39,074,374
24,223	(15,564,649)
-	(2,022,243)
24,223	(17,586,892)
-	141,200
24,223	(17,445,692)

54 NON-CONTROLLING INTEREST

NCI Percentage (%)	
Non-current assets	
Current assets	
Non-current liabilities	
Current liabilities	
Net assets	
Net assets attributable to non-controlling interest	
Revenue	
Profit for the year	
Other comprehensive income	
Total comprehensive income	
Profit for the year attributable to non-controlling interest	
Other comprehensive income attributable to non-controlling interest	
Cash flows from operating activities	
Cash flows from investing activities	
Cash flows from financing activities	
Net increase in cash and cash equivalents	

2026	2025
80%	80%
5,136,230,890	5,605,520,054
3,320,280,323	3,268,206,580
(2,326,593,563)	(889,938,591)
(4,755,768,962)	(6,656,885,559)
1,374,148,688	1,326,902,484
1,099,318,950	1,061,521,987
1,528,351,210	1,980,092,734
160,705,029	174,076,845
-	-
160,705,029	174,076,845
128,564,023	139,261,476
-	-
982,398,437	(94,481,388)
213,447,344	263,821,008
(971,216,243)	(44,387,489)
224,629,538	124,952,131

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2026

Associates

Details about the Group's investment in an associate and summarised financial information are disclosed in note 10 of these consolidated financial statements.

55 NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

The Board of Directors of the Holding Company in its meeting held on September 17, 2026 proposed a final cash dividend of Rs. 4 per share (June 30, 2025: Rs. 3.5 per share) for the year ended June 30, 2026, amounting to Rs. 701,630,588 (June 30, 2025: Rs. 613,926,765). This appropriation will be approved by the members of the Holding Company at the Annual General Meeting to be held on October 22, 2026. The consolidated financial statements for the year ended June 30, 2026 do not include the effect of the above appropriation which will be accounted for in the consolidated financial statements of the Group for the year ending June 30, 2027.

56 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on September 17, 2026 by the Board of Directors of the Holding Company.

57 GENERAL

Figures reported in these consolidated financial statements have been rounded off to the nearest Rupee unless otherwise stated.



Shaheen Amin
Chief Executive Officer



Ramon Alfrey
Director



Abid Hussain Awan
Chief Financial Officer

PATTERN OF SHAREHOLDING

As At June 30, 2026

NO OF SHAREHOLDERS	NO. OF SHAREHOLDINGS		Total Shares
	FROM	TO	
1,419	1	100	38,297
569	101	500	146,493
247	501	1,000	183,151
516	1,001	5,000	1,253,369
141	5,001	10,000	1,010,217
80	10,001	15,000	1,005,394
40	15,001	20,000	738,417
26	20,001	25,000	598,088
26	25,001	30,000	710,386
14	30,001	35,000	464,609
12	35,001	40,000	458,020
13	40,001	45,000	571,319
21	45,001	50,000	1,029,060
9	50,001	55,000	467,100
2	55,001	60,000	120,000
6	60,001	65,000	379,486
4	65,001	70,000	275,521
4	70,001	75,000	292,980
2	75,001	80,000	158,120
2	80,001	85,000	163,222
1	85,001	90,000	89,622
1	90,001	95,000	95,000
5	95,001	100,000	495,607
2	100,001	105,000	202,964
2	105,001	110,000	216,789
4	110,001	115,000	450,005
1	115,001	120,000	120,000
3	120,001	125,000	365,134
4	125,001	130,000	506,075
2	130,001	135,000	265,856
1	135,001	140,000	138,126
3	145,001	150,000	446,790
1	150,001	155,000	152,989
1	155,001	160,000	160,000
2	160,001	165,000	327,540
2	165,001	170,000	335,500
1	170,001	175,000	175,000
1	185,001	190,000	189,105
2	205,001	210,000	415,500
1	215,001	220,000	215,674
1	230,001	235,000	233,900
1	255,001	260,000	260,000
4	265,001	270,000	1,064,357

NO OF SHAREHOLDERS	NO. OF SHAREHOLDINGS		Total Shares
	FROM	TO	
1	270,001	275,000	274,679
2	295,001	300,000	600,000
1	305,001	310,000	310,000
1	315,001	320,000	315,517
2	330,001	335,000	665,489
1	340,001	345,000	340,644
3	345,001	350,000	1,050,000
1	375,001	380,000	378,630
1	395,001	400,000	400,000
1	410,001	415,000	412,500
1	430,001	435,000	431,000
1	455,001	460,000	456,526
1	470,001	475,000	473,000
3	495,001	500,000	1,495,015
1	500,001	505,000	500,630
1	520,001	525,000	522,486
1	525,001	530,000	526,092
1	540,001	545,000	544,000
1	545,001	550,000	550,000
1	555,001	560,000	555,475
2	595,001	600,000	1,198,000
2	660,001	665,000	1,324,402
1	675,001	680,000	680,000
1	690,001	695,000	693,000
1	695,001	700,000	697,620
1	905,001	910,000	910,000
1	935,001	940,000	937,932
1	945,001	950,000	945,400
1	1,070,001	1,075,000	1,074,322
1	1,995,001	2,000,000	1,997,100
1	2,050,001	2,055,000	2,053,000
1	2,205,001	2,210,000	2,206,285
1	4,055,001	4,060,000	4,055,500
1	6,870,001	6,875,000	6,871,821
1	7,205,001	7,210,000	7,209,229
1	10,270,001	10,275,000	10,270,447
1	17,535,001	17,540,000	17,537,223
1	86,955,001	86,960,000	86,959,901
3,245			175,407,647

CATEGORIES OF SHAREHOLDING

As At June 30, 2026

CATEGORIES OF SHAREHOLDERS		Number of Shareholders	Number of Shares Held	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children			
	Mr. Khalid Aziz Mirza		630	
	Mr. Rashid Ahmed Jafer		500	
	Mr. Anwar Mansoor Khan		2,500	
	Mr. Ramon Alfrey		49,908	
	Mr. Shaheen Amin		550,630	
		8	604,168	0.34
2	Executives	6	35,115	0.02
3	Associated Companies, Undertakings and related Parties	2	86,960,515	49.58
4	NIT and ICP	-	-	-
5	Banks, Development Financial Institutions, Non Banking Financial Institutions	4	262,291	0.15
6	Insurance Companies	4	18,689,151	10.66
7	Modarabas and Mutual Funds	2	714	0.00
8	Shareholders holding 10%	1	86,960,515	49.58
9	General Public :			
	a. local	3,178	59,499,658	33.92
	b. Foreign			
10	Others	41	9,356,035	5.33
	Total (excluding : Shareholders holding 10%)	3,245	175,407,647	100.00

Shareholders holding five percent or more voting rights

ORIX Corporation	86,960,515	49.58
State Life Insurance Corporation of Pakistan	17,537,223	9.99
Atiq Begum	11,867,255	6.77
Total	116,364,993	66.34

Details of purchase / sale of shares by Directors, Executives and their spouses during 2026:

S. No	Name	Date of Transaction	Number of	Purchase
1	Mr. Shahzad Rana Younus Assistant General Manager	2-Dec-25 8-Jun-26	3,636 9,900	48.77 49.00

PROXY FORM

I / We _____

of (full address) _____

being a Member of OLP Financial Services Pakistan Limited hereby appoint _____

of (full address) _____

or failing him/her _____

of (full address) _____

as my/our proxy (the Proxy) to attend and vote for me and on my behalf at the 40th Annual General Meeting of the Company to be held on October 22, 2026 and at any adjournment thereof.

Signature this _____ Year 2026

(Day)

(Date, month)

Please affix
revenue stamp

Signature of Member: _____

Folio/CDC Number: _____

The number of shares held: _____

Signature and Company Seal

Signatures and addresses of witnesses

1. _____

2. _____

Note:

1. A Member entitled to attend and vote at the General Meeting is entitled to appoint a Proxy to attend and vote instead of him/her. A Proxy needs to be a Member of the Company.
2. The instrument appointing a Proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorized in writing, if the appointer is a corporation, under its common seal or the hand of an officer or attorney duly authorized.
3. The instrument appointing a Proxy and the power of attorney or other authority under which it is signed or a notarially certified copy of a power of attorney must be deposited at the registered office of the Company or at Company's Share Registrar Office at least 48 hours before the time of the meeting.
4. An individual Beneficial Owner of the Central Depository Company entitled to attend and vote at this meeting must bring the original Computerized National Identity Card (CNIC) or Passport to prove identity. In case of Proxy, it must enclose an attested copy of the CNIC or Passport. The representative of corporate entity shall submit the Board of Directors' resolution or power of attorney with specimen signature (unless it has been provided earlier) along with the Proxy Form to the Company.

پراکسی فارم

میں کسی / مسماہ _____ ساکن _____

شعبہ _____

بیشیت ممبر اول نیٹ نیٹ افسر سر و سر پاکستان لمیٹڈ، کسی / مسماہ _____ ساکن _____

کو بطور منظور (پراکسی) مقرر کرتا کرتی ہوں تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے چالیسواں (40) سالانہ اجلاس عام جو تاریخ 22 اکتوبر 2026 منعقد ہو رہا ہے، میں اور اس کے کسی ملحق شدہ اجازت میں ووٹ ڈالے۔

ڈاک ٹکٹ

چسپاں کریں

دستخط اور کمپنی کی مہر

دستخط کی تاریخ _____

ممبر کا دستخط _____

فولیو نمبر _____

حصص کی تعداد _____

گواہوں کے دستخط اور پتے _____

1 _____

2 _____

نوٹ

- 1 اجلاس عام میں شرکت اور رائے دی کا اہل ممبر اپنی جانب سے شرکت اور رائے دی کے لئے اپنا پراکسی مقرر کر سکتا ہے۔ پراکسی کا کمپنی ممبر ہونا ضروری ہے۔
- 2 یہ فارم ممبر یا اس کے مفقار کی جانب سے جسے تحریری طور پر دیا گیا ہو، کی جانب سے دستخط کیا جائے۔ اگر ممبر کوئی کارپوریشن ہے تو اس کی عام ممبر موجود ہونی چاہیے۔
- 3 پراکسی کسی کی تقرری کے دستاویز مختار نامہ یا دیگر دستاویز جس کے تحت تقرری ہوئی یا مختار نامہ کی تصدیق شدہ کاپی اجلاس کے انعقاد سے کم از کم 48 گھنٹہ قبل کمپنی یا اس کے شیئر رجسٹر کے دفتر میں جمع کرانی ہوگی۔
- 4 سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو پراکسی فارم کے ہر اوکھیوٹراکٹو قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ کاپی بھی منسلک کرنی ہوگی۔ پراکسی کو اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔ کارپوریٹ ادارہ ہونے کی صورت میں بیشیت ممبر بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد / مختار نامہ بعد نمونہ دستخط ہمارا پراکسی فارم جمع کرانا ہوئے۔

GEOGRAPHICAL PRESENCE

Head Office / Registered Office

OLP Building, Plot No. 16, Sector No. 24,
Korangi Industrial Area, Karachi
Tel: 021-35144029-40
Fax: 021-35144002, 35144020, 35144090-91
UAN: 111 24 24 24
Email: olp@olpfinance.com
Website: www.olpfinance.com

COD Office – DHA

Ground Floor at 112-C/I,
AL-Murtaza Commercial Lane-III,
DHA Phase VIII, Karachi.
Tel: 021-35350560-63

KBW - Karachi

Plot # 151-A, Shop No. 9 & 10,
Dataari Arcade, P.E.C.H.S. Block-2.
Tel: 021-35143752-5

Hyderabad

First Floor, State Life Building,
Thandi Sarak.
Tel: 022-2784143, 2720397
Fax: 022-2785388

Sukkur

Shop No. 33 & 34, New City Bungalows,
Shikarpur Road.
Tel: 071-5807031-32

Multan

Plot # 116, Pull Moj Darya,
LMQ Road Multan.
Tel: 061-4518431-3, 4518435-6
Fax: 061-4518436
UAN: 111 24 24 24

Rahim Yar Khan

Plot No. 26, Main Street
Businessman Colony, Rahim Yar Khan.
Tel: 068-5888565, 5887617-8
Fax: 068-5887618

Bahawalpur

Ground Floor, Near Cantonment Office Board
Ahmed Pur East Road, Bahawalpur
Tel: 062-9255382, 9255494
Fax: 062-2886273

Vehari

137, Block-D, Vehari
Tel: 067-3360351 – 3

Lahore

76-B, E-1, Main Boulevard,
Gulberg III
Tel: 042-35782586-93
Fax: 042-35790488
UAN: 111 24 24 24

Thokar Niaz Baig

1st floor, 55th Avenue,
Lalazar Commercial Market, Raiwind Road,
Tahoka Niaz Baig, Lahore
Tel: 042-35963581-84

DHA Lahore Office

1st Floor, Building 103, CCA 1,
Sector C, DHA – Phase 6, Lahore.
Tel: 042-37260261

Ferozewala

Opposite Punjab Flour Mill, Near Rachna Town,
G.T. Road Shahdara, Ferozewala District Sheikhupura.
Tel: 042-37340711

Sharaqpur Sharif

Opposite Khushali Microfinance Bank,
Main Lahore Jaranwala Road, Sharaqpur Sharif
Tel: 056-2590021

Faisalabad

3rd Floor, Sitara Towers, Bilal Chowk,
Civil Lines, Faisalabad
Tel: 041-2633926, 2633811-3
Fax: 041-2633927
UAN: 111 24 24 24

Sargodha

Khan Arcade, 66 Old Civil Lines,
Katchery Road, Sargodha
Tel: 048-3729521
Fax: 048-3729522

Sahiwal

Plot No. 174/28, Ground Floor,
New Civil Lines, Katchery
Road, Sahiwal.
Tel: 040-4227613-4
Fax: 040-4227615

Jhang

Church Road, Near Government
Girls College Chowk, Jhang
Tel: 047-7650421-2
Fax: 047-7650423

Sialkot

1st Floor, Ghoolam Kadir Arcade,
Aziz Shaheed Road, Sialkot Cantt.
Tel: 052-4260616, 4260877
UAN: 111 24 24 24

Gujrat

Office No.1, First Floor, Empire Centre,
Opp. Small Industrial Estate Gate No. 1,
G.T. Road, Gujrat
Tel: 053-3726053-55

Gujranwala

333, First Floor, Civic Centre, Main
G.T Road, Gujranwala
Tel: 055-3731021-22
Fax: 055-3250599

Islamabad

Ground Floor, State Life Building No. 5,
Nazimuddin Road, Blue Area, Islamabad
Tel: 051-2822800-2, 2821706, 2821748
Fax: 051-2821917
UAN- 111 24 24 24

Rawalpindi

Ground Floor, Abdullah Tower, Plot-14 Westeria Road,
Giga downtown Sector A, DHA, Phase- 2,
Main GT Road - Rawalpindi.
Tel: 051-5147264 - 68

Chakwal

Ground Floor, Opposite Sadar Police Station
Talagang Road Chakwal
Tel: 0543-666221, 666052-53
Fax: 0543-666054

Mirpur A.K.

1st floor, JarraI plaza, 63/F, Sector F-1,
Kotli Road, Mirpur, A.K
Tel: 05827-434368, 451219
Fax: 05827-432216

Taxila

1st Floor, Raja Business Tower,
Plot No. 1023/1028, Taxila Cantt
Main G.T Road, Taxila
Tel: 051-4254473, 4254475, 4254476

Peshawar

Ground Floor, State Life Building
The Mall
Tel: 091-5278647, 5279789, 5285541, 5285520
Fax: 091-5273389,
UAN: 111 24 24 24

Abbottabad

Yousaf Jamal Plaza, Near HBL
Mansehra Road.
Tel: 0992-343888, 343188
Fax: 0992-405856

Mingora

First Floor, Shahzad Plaza, Makan Bagh,
Saidu Road, Mingora Swat
Tel: 0946 -722620
Fax: 0946 -722621

Kohat

Ground Floor, Saad Ullah Shah Market,
Near Kachehri Chowk, Kohat City
Tel: 0922- 512564-5

AAA | A1+

Long Term

Short Term

Credit Rating by VIS: September 11, 2026

Since
1986

40 *Years of*
EXCELLENCE



OLP FINANCIAL SERVICES PAKISTAN LIMITED

OLP Building, Plot No. 16, Sector No. 24, Korangi Industrial Area,
Karachi 74900 Tel: (021) 3514 4029-40 UAN: 111 24 24 24

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