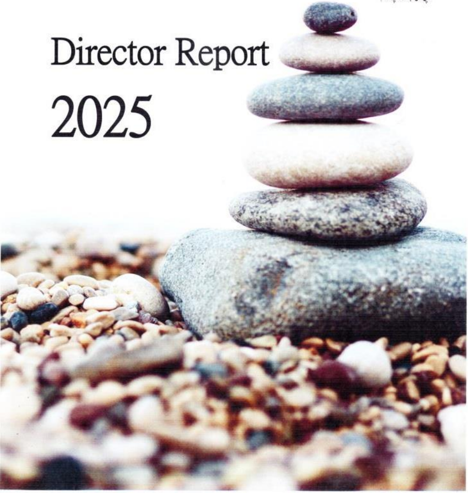
OPD Support Program

اوپی ڈی سپورٹ پروگرام

Director Report

2025



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1. COMPANY INFORMATION

Vision
To contribute in the development of an inclusive, equal and sustainable society.

Mission
To promote and deliver sustainable development by alleviating poverty and reducing gender gaps.

Board of Directors

a.	Mr. Muhammad Aniq Zafar	Chairman
b.	Mr. Rizwan Hameed	Member
c.	Mrs. Tanveer Jahan	Member
d.	Mr. Syed Ahsan Shahzad	Member
e.	Mr. Zafarullah Khan	Member

Management

a.	Mr. Nadeem Sarwar	Chief Executive Officer
b.	Mr. Muhammad Sulaman Tariq	Manager Accounts, Finance and Compliance
c.	Mr. Akbar Baig	Manager Program Operations
d.	Mr. Shahzad Warraich	Manager HR and Legal Affair
e.	Mr. Usman Khalid	Manager IT and Data Reporting
f.	Mr. Faizan Tariq	Manager Admin and AML/CF Compliance

Legal Advisor

a.	Mr. Shahzad Warraich	B.A, LL.B (Advocate High Court)

Company Secretary

a.	Mr. Muhammad Sulaman Tariq	MBA (Finance)

Auditor

a.	M/s Junaidy Shoaib Asad	Chartered Accountants

Banks

a. Allied Bank Limited
b. Mobilink Microfinance Bank Limited

Registered Office

a.	Head Office	185-B, Modeld Town, District Gujranwala

DIRECTORS' REPORT

TO THE MEMBERS

On the behalf of the Board of Directors of "OPD Support Program" (the company),
I am pleased to present our report, the audited financial statements and auditor's report for the year ended June 30, 2025.

2. FINANCIAL HIGHLIGHTS

a. Statement of Income and Expenditure

	Note	2025 Rupees	2024 Rupees
Financial Income			
Mark-up and other charges on micro credit loan portfolio	23	69,760,966	58,926,790
Profit on bank deposits		4,124,709	3,125,165
Amortization of grants relating to operating assets	15	30,791	38,489
Other income	24	240,161	257,325
		74,156,626	62,347,769
Expenses			
Program expenses	25	(49,245,004)	(44,008,910)
Administrative expenses	26	(4,545,913)	(4,000,284)
Finance cost	27	(10,949,296)	(15,207,994)
Provision against non- performing loans	.2, 9.1-9.2 & 10.5.1	(1,128,424)	(393,719)
		(65,868,637)	(63,610,907)
Profit/(Loss) before income tax and minimum tax		8,287,989	(1,263,139)
Minimum tax	28	(724,695)	(883,902)
Profit/(Loss) before Income tax		7,563,294	(2,147,040)
Taxation	29	-	-
Profit/(Loss) for the period after taxation		7,563,294	(2,147,040)
Other Comprehensive Income			
Experience adjustments of re-measurment of plan obligation	16	(3,242,486)	(661,443)
Total comprehensive Income/ (Loss) for the year		4,320,808	(2,808,483)

b. Balance Sheet

	Note	2025 Rupees	2024 Rupees
ASSETS			
Non-current assets			
Property and equipment	5	4,025,274	4,762,131
Intangible assets	6	314,910	131,137
Long term receivables	7	1,392,682	1,675,781
		5,732,866	6,569,049
Current assets			
Loan and advances - net of provisions	8	111,483,312	94,224,986
Accrued service charges	9	33,810	10,203
Advances, deposits and other receivables - net of provisions	10	2,104,848	1,769,427
Advance income tax	11	255,732	-
Cash and bank balances	12	34,164,534	32,772,132
		148,042,237	128,776,748
		153,775,102	135,345,797
FUNDS AND LIABILITIES			
Funds			
General funds		(23,009,436)	(27,330,243)
Members contribution		300,000	300,000
Endowment fund - unsecured	13	17,600,000	17,600,000
Sub-ordinate loan - unsecured	14	37,733,333	37,733,333
		32,623,897	28,303,090
Non current liabilities			
Deferred grant - related to operating assets	15	123,162	153,953
Deferred liability	16	17,652,713	10,744,578
Long term loan	17	-	-
		17,775,875	10,898,531
Current liabilities			
Current portion of long-term loans	17	25,700,000	27,000,000
Accrued mark-up on PPAF loan	18	8,989,640	8,989,640
Accrued and other liabilities	19	64,625,839	56,053,111
Income tax payable	20	-	61,575
Short term loans	21	4,039,850	4,039,850
		103,355,329	96,144,176
		153,755,102	135,345,797
Contingencies and commitments	22	-	-

c. Statement of Change in Funds

PARTICULARS	General Fund	Members contribution	Endowment fund	Sub-Ordinate Loan	Total
	-----Rupees-----				
Balance as at June 30, 2023	(24,521,760)	300,000	17,600,000	37,733,333	31,111,573
Total comprehensive loss for the year 2024	(2,808,483)	-	-	-	(2,808,483)
Balance as at June 30, 2024	**(27,330,243)**	**300,000**	**17,600,000**	**37,733,333**	**28,303,090**
Total comprehensive income for the year 2025	**4,320,808**	-	-	-	**4,320,808**
Balance as at June 30, 2025	**(23,009,436)**	**300,000**	**17,600,000**	**37,733,333**	**32,623,897**

d. Cash Flow Statement

	Note	2025 Rupees	2024 Rupees
Cash flows from operating activities			
Profit/(loss) for the year before tax		8,287,989	(1,263,139)
Adjustments for non-cash items:			
Depreciation and amortization		977,294	1,095,009
Provision against non-performing loans		1,128,424	393,719
Provision of gratuity		3,784,380	3,073,828
Finance cost		10,949,296	15,207,994
Loss on disposal of operating fixed assets		16,360	-
Gain on disposal of operating fixed assets		(11,130)	-
Amortization of grants		(30,791)	(38,489)
		16,813,833	19,732,062
Net cash flows before working capital changes		25,101,822	18,468,923
Changes in working capital			
Decrease/(Increase) in loans and advances		(18,336,033)	2,315,391
Decrease in long term receivable		321,340	335,072
Decrease in accrued service charges		67,660	138,998
(Decrease)/Increase in advances, deposits and other receivables		(516,148)	(139,562)
Increase accrued and other liabilities		(785,146)	1,780,976
Cash generated from/(used in) operations		(19,248,326)	4,430,876
Gratuity Paid		(118,731)	(759,947)
Finance cost paid		(1,591,422)	(872,044)
Tax paid		(1,042,001)	(603,989)
Net cash generated from operations		3,101,342	20,663,819
Cash flows from investing activities:			
Purchase of operating fixed assets		(461,440)	(417,710)
Sales proceeds of operating fixed assets		32,500	-
Net cash used in investing activities		(428,940)	(417,710)
Cash flows from financing activities:			
Borrowings repaid during the year		(1,300,000)	-
Borrowings obtained during the year		-	-
Net cash (outflow) from financing activities		(1,300,000)	-
Net inecrease in cash and cash equivalents		1,372,402	20,246,109
Cash and cash equivalents at beginning of the year		32,772,132	12,526,023
Cash and cash equivalents at the end of the year	12	34,144,534	32,772,132

3. AN EXTRAORDINARY YEAR

During 2024-25, following the submission of a proposal for new microfinance funding, the OPD Support Program expanded a new product to establish full branch with designated Branch Manager: a short-term loan with a duration of three months (90 days, plus a 5-day grace period). This loan, titled the "Committee Loan," is designed specifically to provide financing to the petty trading sector with the goal of minimizing processing time. The loan is disbursed within hours after initial verification and monitoring confirm eligibility criteria are met. Based on the collection patterns and loan demand, management recommended to the board of directors the expansion of the loan portfolio committee by establishing three to four (3 to 4) independent new branches, subject to meeting the standard branch criteria.

Furthermore, the portfolio and financial management software is now fully functional and updated to enhance data efficiency and enable effective customization for future development. Furthermore, the module of Committee Loan will be developed and integrate with Portfolio Management System. In the first stage, the existing database was reviewed, analyzed, and cleaned before importing the data into the new system to incorporate the previous history of borrower information from spread sheets.

During this period, the CEO and Chairman of the company held several meetings with PPAF's management to discuss the rescheduling of the outstanding financing facility. The company faced an equity shortfall, impacting both institutional and individual investment plans. This strategy is designed to strengthen the company's equity position. To facilitate the transaction between PPAF and OPDSP, board members and management met with PPAF's leadership, headed by Mr. Nadir Gul Barech, to address their concerns. A request letter for reschedule of conventional loans on floor rate markup over ten years repayment plan, along with a revised five-year business plan, has been submitted to PPAF. The plan's assumptions are based on PPAF's continued support, followed by engagement with PMIC's microfinance credit line program. Profitability is projected subject to after the successful completion of the two-year program, allowing the company to meet its obligations to both PPAF and PMIC. Despite these efforts, the rescheduling of the subordinated loan and conversional of the outstanding markup remain ongoing.

The upcoming year poses significant challenges, primarily in maintaining equity levels. Another crucial objective is securing a credit line to enhance the company's profitability and ensure sustainability. Negotiations are still underway with various private and public sector investors to facilitate this initiative. Simultaneously, we are closely monitoring government programs for potential opportunities. Despite the current challenges, we hold a positive outlook, believing that our dedicated team possesses the capability to reverse the current negative trend the company is experiencing.

4. FINANCIAL HIGHLIGHTS - STANDALONE

a. Net Income / (Deficit)

During this period, the company reported a post-tax profit of PKR 4.32 million. The microcredit portfolio expanded to PKR 114.84 million in 2025, an expanding from PKR 96.84 million in 2024. This increase was driven by maintaining disbursements while increasing the average loan size, which kept the number of borrowers below 5,000. Concurrently, the average disbursement per loan increased to PKR 48,669 in FY 2025, up from PKR 46,274 in FY 2024. Additionally, the average outstanding loan size also increased to PKR 24,571in FY-2025, compared to PKR 19,846 in FY-2024.

Throughout this period, 4,623 loans were disbursed to borrowers, marking a slight improvement from the 4,040 loans disbursed in the corresponding period. Of the 4,674 borrowers, 690 had outstanding loans, including overdue principal and markup as of June 30, 2025, an 122 borrowers increase from 99 borrowers in the previous period. The portfolio yield on the gross portfolio sustained, for 52.08% in FY 2025 compared to 52.41% in FY 2024, due to a comparative increase in earned income from the deployed portfolio.

The pricing policy for the microfinance portfolio was revised, increasing the upfront charge to 4% and the service charge to 30% per annum. The pricing policy for Committee Loans included a 27% charge over 90 days, with daily recovery collections. The KIBOR rates and moderate inflation impact to reduce the cost of operations, leading to improved financial performance with limited resources during the period of the company. The policy revision aimed to mitigate the impact of inflation and the rising cost of capital on the company's financial performance.

During this period, the earned markup amounted to PKR 69.81 million in 2025 compared to PKR 50.75 million in 2024, which excludes the upfront charges collected, totaling PKR 9.85 million for 4,623 new loans in FY-2025 and PKR 8.17 million for 4,040 disbursed loans in FY-2024. The discounting factor applied to long receivable amounts (refer to Note 7) resulted in the recovery of PKR 0.32 million as per the agreed schedule, compared to PKR 0.34 million recovered in the corresponding period.

Additionally, the earned but uncollected markup during this period amounted to accrued service charges of PKR 1.71 million against 568 borrowers in 2025, compared to PKR 2.05 million against 1,079 borrowers in 2024 (as noted in Note 9). Simultaneously, a provision charge of PKR 1.67 million was recorded in FY 2025 and 2.04 million in FY 2024.

b. Financial Cost, Branchless Banking Cost

The finance cost, comprising markup on outstanding loans and related borrowing expenses, declined to PKR 10.95 million in FY 2025 from PKR 15.21 million in FY 2024. This represents a reduction of approximately 28% over the previous year.

The decrease is primarily attributable to a decline in the 6-month KIBOR (offer) rate, which serves as the benchmark for loan pricing. As per loan covenants, the applicable rate is determined on the first working day of January and July for the respective halves of the year, subject to a minimum floor of 8%. The lower KIBOR during FY 2025 resulted in reduced borrowing costs and improved financial sustainability.

c. Portfolio and Provision

For the period ending, the portfolio stood at PKR 114.84 million in FY-2025 and PKR 96.85 million in FY-2024. Further, presentation of recovery, disbursement, and outstanding loan portfolios for the period can be found in Annex – A.

The portfolio at risk increased by 2.05% in FY-2025, from 1.85% in FY-2024. The main cause of increasing in PAR due to the impact of Committee Loan defaulted portfolio. Whereas the rest of portfolio PAR at 1.56%. The quality of the remaining portfolio was maintained through regular monitoring by the risk department.

Disbursements during the year totaled PKR 224.99 million, up from PKR 186.95 million in FY 2024, indicating sustained growth in outreach and lending operations.

The caseload per loan officer averaged 203 borrowers in FY 2025, compared to 244 borrowers in FY 2024. The reduction reflects better portfolio distribution and increased disbursements, compared with the microfinance industry average of approximately 350 cases per loan officer.

Written-off cases due to death accounted for 0.30% of the portfolio in FY 2025, down from 0.42% in FY 2024. Adequate provisions were maintained for overdue and general portfolios in line with NBFC regulations, resulting in a risk coverage ratio of 141% in FY 2025, compared to 142% in FY 2024.

d. Borrowing

We've submitted a financial proposal to the Pakistan Poverty Alleviation Fund (PPAF) seeking to reschedule a financial agreement, actively pursuing this avenue from multiple angles.

During this period, we conducted a meeting with PPAF regarding the rescheduling of a subordinated loan of PKR 37.73 million, which had reached maturity on December 31, 2021. Additionally, we highlighted the outstanding markup of PKR 66.71 million related to financial borrowing costs (conventional and subordinated loans) that remain pending with PPAF.

Our Board of Directors is actively exploring the possibility of finding a partner willing to invest in the company's equity. Securing funding would enable the company to embark on expansion initiatives promptly.

5. APPROPRIATIONS

a. Capital Expenditure

During this year, the Company acquired assets PKR.198,940 (2025) and PKR. 417,710 (2024) towards capital expenditure with major addition - most of which was incurred towards Furniture & Fixture, Office Equipment, and Computer Equipment.

Further, the disposal amounts PKR.120,900 in FY-2025 and Zero in FY-2024 Office equipment's were made due to their unsatisfactory condition or not being repairable for productivity.

b. Fixed Deposits

The amount of endowment for Rs.17.6 million invested in microfinance portfolio in FY-2025 with same investment in corresponding period.

c. Sub-Ordinated Loan

The amount of sub-ordinated loan received from PPAF PKR.37.73 million was mature in Dec 31, 2021 which would be extended future as request to PPAF over three years and invested in microfinance portfolio in FY-2023 with same investment in corresponding period.

6. STRATEGIC INITIATIVES

The company objective is to work for the betterment of the under-privilege and un-served community. To achieve the company's objectives of social and community development sustainability is of utmost importance and so is remaining committed to meeting the expectations of community In this regard, the Company is focusing on unveiling new opportunities in sectors other than microfinance.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has also placed an Internal Control System commensurate with the size, scale and complexity of its operations. The scope and authority of the Monitoring and Innovation function are defined in the company and need to be refined for further development. To maintain its objectivity and independence, the Monitoring and Innovation department reports directly to the Chairman of the Board and Chief Executive Officer.

The Monitoring and Innovation Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations (branches) of the Company.

The Monitoring and Innovation department suggests and undertakes corrective action in their respective areas and thereby strengthens the controls. Significant observations and corrective actions suggested are presented to the Board and Chief Executive Officer. The laid down internal financial controls are adequate and have been operating effectively during the year.

During the period, the AML/CFT compliance department ensures timely compliance of AML/CFT Compliance and compile the data with NACTA data, FIA record available on website and submit compliance report to SECP.

8. NUMBER OF EMPLOYEE AND STAFF TURN OVER

The staff turnover improved by 41% with 45 employees in FY-2025 from 22% with 44 employees in FY-2024.

9. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statement for the year in respect of remuneration including certain benefits to the Chief Executive Officer of the Company is as follows:

- Remuneration of Chief Executive, Directors and Executives

	2025		
	Chief Executive	Directors	Executives
	------------------ Rupees ------------------		
Managerial remuneration	3,996,000	-	6,563,960
Medical Insurance	-	-	-
Gratuity - Salary	333,000	-	535,200
Vehicle Running & Maintenance	876,055	-	483,536
Employee Loan	-		-
Communication	88,410	-	144,690
	5,293,465	-	7,727,386
Number of persons (including those who worked part of the year)	1	5	3

	2024		
	Chief Executive Officer	Directors	Executives
	------------------- Rupees -------------------		
Managerial remuneration	4,017,450	-	3,496,050
Medical Insurance	-	-	-
Gratuity - Salary	333,000	-	278,700
Vehicle Running & Maintenance	712,511	-	319,400
Communication	78,690	-	60,500
	5,141,651	-	4,154,650
Number of persons (including those who worked part of the year)	1	5	3

10. RELATED PARTY TRANSACTIONS

Reference to Note 31, the transactions with related parties during the period has been as follows;

Party Name	Transactions during the period	2025 Rupees	2024 Rupees
Mr. Nadeem Sarwar (CEO)	Opening receivable	-	-
	Advance against Salary	644,248	387,018
	Advance recovered during the period	(644,248)	(387,018)
	Salaries and benefits entitled	3,996,000	4,008,750
	Salaries and benefits Paid	(3,996,000)	(4,008,750)
	Receivable at year end	-	-
Mr. Aniq Zafar (Director)	Opening loan payable	4,039,850	4,039,850
	Loans repaid during the period	-	-
	Payable at year end	4,039,850	4,039,850
	Opening markup payable on loan	-	-
	Advance Markup Paid	500,000	-
	Advance Markup received / adjusted	(117,189)	-
	Markup charged on loan	551,606	872,044
	Markup paid during the year	(539,041)	(872,044)
	Payable at year end	395,376	-

11. FINANCIAL RISK MANAGEMENT

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;

- Market risk.

The Board of Directors has 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.

a. Credit risk and concentration of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk, the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

b. Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	2025 Rupees	2024 Rupees
Loan and advances - net of provisions	**111,483,312**	94,224,986
Advances, deposits and other receivables - net of provisions	**2,104,848**	1,769,427
Bank balances	**34,005,937**	32,684,951
	147,594,097	128,679,365

c. Counterparties with external credit ratings

These include banking companies and financial institutions. These counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

Name of Bank	Rating Agency	Long term credit rating	Short term credit rating	2025 Rupees	2024 Rupees
Allied Bank Limited	PACRA	AAA	A1+	**16,826,683**	20,749,780
Mobilink Microfinance bank	PACRA	A	A1	**17,179,254**	11,935,171
				34,005,937	32,684,951

d. Liquidity risk

Liquidity Risk is the risk that the company may encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected or difficulties in raising funds to meet commitments associated with financial labilities as they fall due. The following analysis shows the Company's financial liabilities into relevant maturity groupings based on the remaining period to their contractual maturities at the balance sheet date. The amount disclosed in the table are the contractual undisclosed cash flows and also include the impact of estimated future interest payments.

			2025		
Financial liabilities	Carrying amount	Contractual cashflows	Less than one year	One to five years	More than five years
			Rupees		
Loan from director	4,039,850	4,039,850	4,039,850	-	-
Microcredit loans - PPAF	25,700,000	25,700,000	25,700,000	-	-
Subordinated Loan - PPAF	37,733,333	37,733,333	37,733,333	-	-
Accrued markup - PPAF loan	66,703,900	66,703,900	66,703,900	-	-
Accrued & other liabilities	6,911,579	6,911,579	6,911,579	-	-
Total	**141,088,662**	**141,088,662**	**141,088,662**	-	-

			2024		
Financial liabilities	Carrying amount	Contractual cashflows	Less than one year	One to five years	More than five years
			Rupees		
Loan from director	4,039,850	4,039,850	4,039,850	-	-
Microcredit loans - PPAF	27,000,000	27,000,000	27,000,000	-	-
Subordinated Loan - PPAF	37,733,333	37,733,333	37,733,333	-	-
Accrued markup - PPAF loan	57,358,591	57,358,591	57,358,591	-	-
Accrued & other liabilities	7,684,160	7,684,160	7,684,160	-	-
Total	**133,815,935**	**133,815,935**	**133,815,935**	-	-

e. Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

f. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to currency risk as there is no loan in foreign currency.

g. Interest rate risk

Mark-up rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. At the reporting date, the variable interest rate profile of the Company's significant interest-bearing financial instruments is as follows:

June 2025

Variable rate instruments	Effective rate of interest	Carrying value in Rupees
Financial liabilities		
Subordinated loan - PPAF	6 month KIBOR	37,733,333
Microcredit loans - PPAF	6 month KIBOR	25,700,000
Loan from director	6 month KIBOR - 0.5 %	4,039,850
Total		**29,739,850**
Financial assets		
Cash at bank - deposit accounts	12.50% to 19.50%	34,164,534
Total		**34,164,534**

June 2024

Variable rate instruments	Effective rate of interest	Carrying value in Rupees
Financial liabilities		
Subordinated loan - PPAF	6 month KIBOR	37,733,333
Microcredit loans - PPAF	6 month KIBOR	27,000,000
Loan from director	6 month KIBOR - 0.5 %	4,039,850
Total		**31,039,850**
Financial assets		
Cash at bank - deposit accounts	12.50% to 19.50%	32,772,132
Total		**32,772,132**

h. Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) surplus for the year by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2025.

Cash flow sensitivity analysis for variable rate instruments	Increase of 100 bps	decrease of 100 bps
	---------Rupees--------	
As at June 30, 2025		
Cash flow sensitivity -variable rate financial assets	341,645	(341,645)
Cash flow sensitivity -variable rate financial liabilities	(297,399)	297,399
(Decrease)/Increase in surplus during the year	44,247	(44,247)
As at June 30, 2024		
Cash flow sensitivity -variable rate financial assets	327,721	(327,721)
Cash flow sensitivity -variable rate financial liabilities	(310,399)	310,399
(Decrease)/Increase in surplus during the year	17,323	(17,323)

The sensitivity analysis prepared is not necessarily indicative of the effects on surplus or deficit for the year and assets / liabilities of the Company.

i. Price risk

Price risk represents the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices, other than those arising from interest 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 trading in market.

j. Fair values of financial assets and liabilities

Fair value is the amount that would be received on sale of an asset or paid on transfer of liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention to curtail materially the scale of its operations or to undertake a transaction on adverse terms. IFRS 13, 'Fair value Measurements' requires the Company to classify fair value measurements using 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 that entity can assess at reporting date;
Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

The following table shows the categories as well as carrying amounts and fair values of financial assets according to their respective category, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value.

k. Financial instruments - Fair values

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

	2025						
	Carrying amount			Fair value			
	Financial Assets	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Rupees						
Financial assets measured at amortized cost							
Cash and bank balances	34,164,534	-	34,164,534	-	-	-	-
Long term security deposits	1,392,682	-	1,392,682	-	-	-	-
Loan and advances - net of provisions	111,483,312	-	111,483,312	-	-	-	-
Advances, deposits and other receivables	2,104,848	-	2,104,848	-	-	-	-
	149,145,376	-	149,145,376	-	-	-	-
Financial liabilities measured at amortized cost							
Loan from director	-	4,039,850	4,039,850	-	-	-	-
Long term loan - PPAF	-	37,733,333	37,733,333	-	-	-	-
Subordinated Loan - PPAF	-	8,989,640	8,989,640	-	-	-	-
Accrued markup - PPAF loan	-	57,714,260	57,714,260	-	-	-	-
Accrued & other payables	-	6,899,014	6,899,014	-	-	-	-
	-	115,376,097	115,376,097	-	-	-	-

	2024						
	Carrying amount			Fair value			
	Financial Assets	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Rupees						
Financial assets measured at amortized cost							
Cash and bank balances	32,772,132	-	32,772,132	-	-	-	-
Long term security deposits	1,675,781	-	1,675,781	-	-	-	-
Loan and advances - net of provisions	94,224,986	-	94,224,986	-	-	-	-
Advances, deposits and other receivables	1,695,497	-	1,695,497	-	-	-	-
	130,368,396	-	130,368,396	-	-	-	-
Financial liabilities measured at amortized cost							
Loan from director	-	4,039,850	4,039,850	-	-	-	-
Long term loan - PPAF	-	27,000,000	27,000,000	-	-	-	-
Subordinated Loan - PPAF	-	37,733,333	37,733,333	-	-	-	-
Accrued markup - PPAF loan	-	8,989,640	8,989,640	-	-	-	-
Accrued & other payables	-	56,053,111	56,053,111	-	-	-	-
	-	133,815,935	133,815,935	-	-	-	-

l. Capital risk management

Capital requirements applicable to the company are set and regulated by Security and Exchange Commission of Pakistan (SECP). The company manages its capital requirements by accessing its capital structure against required level at reporting date. The minimum requirement of funds and reserves as per NBFC Regulations for non-deposit taking non-banking micro finance companies is Rs. 50 million (2020: 50 million). As at June 30, 2025 the company's total fund is PKR. 32.62 million (2024: PKR. 28.30 million).

12. IMPACT OF COVID-19

During the span of 2019 and 2020, the COVID-19 pandemic led to lockdowns imposed by both Federal and Provincial Governments of Pakistan. This situation significantly impacted the Company, resulting in no disbursements during the last three months of the financial year. Moreover, customers were granted extensions ranging from 1 to 4 months for loan repayments. Following a thorough analysis of these circumstances, the management deemed them indicative of conditions requiring a review of the recoverable amounts of the Company's assets. Consequently, it was concluded that there had been no changes in the recoverable amounts of the Company's assets and liabilities at the reporting date.

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel (KMP) of the Company are Mr. Muhammad Aniq Zafar – Chairman, Mr. Rizwan Hameed – Director, Mr. Syed Ahsan Shahzad – Director, Mr. Zafarullah Khan – Director, Mrs. Tanveer Jahan – Director, Mr. Nadeem Sarwar – CEO, Mr. Shahzad Warriach – Legal Advisor, Mr. Muhammad Sulaman Tariq – Company Secretary.

During the corresponding period, there were no resignations and appointments of new director.

The election of Board members and the appointment of the Chief Executive Officer are scheduled to take place in FY 2026, in accordance with the Company's Articles of Association and SECP regulations.

14. FUTURE OUTLOOK

In the upcoming years, the primary focus will be on achieving sustainability, which hinges on expanding the portfolio. Potential additional funding for disbursement might originate from public or private investments. With the Board of Directors' support and through redistributing the recovered portfolio, restructuring internal systems, implementing efficient management protocols, and adhering to industry best practices, the management is confident about reinstating the company's operational sustainability.

The strategic approach involves seeking funding from PMIC and private partnerships while engaging with PPAF to renegotiate the subordinated loan amount of PKR 37.73 million over a three-year period. Additionally, there's an effort to convert the outstanding markup due to PPAF into a endowments fund or write-off to bolster the diminished net assets, impacted during the COVID-19 pandemic. Simultaneously, exploring opportunities for private funding remains a priority.

Moreover, the company team aspires to execute a financial inclusion program by integrating technology that links with banking channels for seamless disbursements and recovery collections. Embracing fintech will reduce human resource involvement, replacing it with telephonic confirmations for loan applications. Furthermore, the appraisal function will transition to artificial intelligence (AI) for enhanced efficiency.

15. PROFIT APPROPRIATIONS

The Company was incorporated under Section 42 of the Companies Act, 2017. The management is currently engaged with the Pakistan Centre for Philanthropy (PCP) for an organizational assessment, which is a prerequisite for applying to the Federal Board of Revenue (FBR) for approval as a Not-for-Profit Organization (NPO) under Section 2(36) of the Income Tax Ordinance, 2001, through the Commissioner Inland Revenue, RTO Gujranwala.

In addition, the Company has submitted an application to the Punjab Charity Commission (PCC) for registration under the Punjab Charity Act, 2018, to strengthen its institutional standing and facilitate relationships with financial institutions and the banking sector, which require a valid PCC registration certificate.

16. ACKNOWLEDGEMENT

In the end we would like to thank and appreciate the cooperation and dedication of the company's executives and staff dedicated in the smooth management of company's affairs during this harsh year. On behalf of the board

CHIEF EXECUTIVE OFFICER
Place: Gujranwala

OPD SUPPORT PROGRAM

CHAIRMAN

Date: 07 October, 2025

Disbursement

2025

Figure 1: Month wise disbursement 2025

2024

Figure 2: Month wise disbursement 2024

Recovery

2025

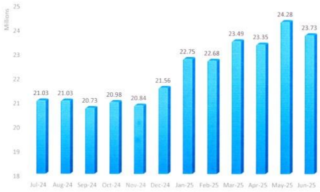

Figure 3: Month wise recovery 2025

2024

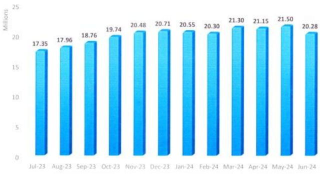

Figure 4: Month wise recovery 2024

Portfolio Loan Outstanding

2025

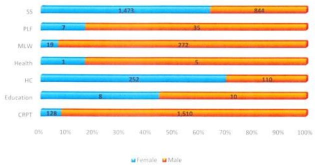

Figure 5: Sector wise and gender wise number of loan portfolio outstanding 2025

2024

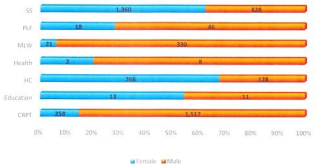

Figure 6: Sector wise and gender wise number of loan portfolio outstanding 2024

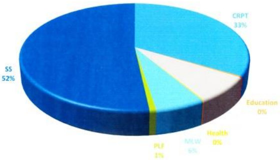

Figure 7: Sector wise amount of loan portfolio outstanding 2025

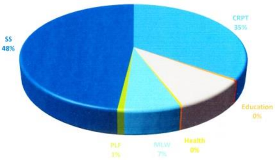

Figure 8: Sector wise amount of loan portfolio outstanding 2024