



ORIX Leasing Pakistan Limited



First Quarter Report

2020

Company Information

Board of Directors

- 1. Mr. Khalid Aziz Mirza**
Chairman and Independent Non-Executive Director
- 2. Mr. Naveed Kamran Baloch**
Independent Non-Executive Director
- 3. Mr. Nasim Hyder**
Independent Non-Executive Director
- 4. Ms. Aminah Zahid Zaheer**
Independent Non-Executive Director
- 5. Mr. Harukazu Yamaguchi**
Non-Executive Director
- 6. Mr. Yoshiaki Matsuoka**
Non-Executive Director
- 7. Mr. Takashi Nakayama**
Non-Executive Director
- 8. Mr. Yohei Honda**
Non-Executive Director
- 9. Mr. Shaheen Amin**
Chief Executive Officer and Executive Director

Committees

Audit Committee

- 1. Mr. Nasim Hyder**
Chairman
- 2. Ms. Aminah Zahid Zaheer**
Member
- 3. Mr. Yohei Honda**
Member

Human Resource, Nomination and Remuneration Committee

- 1. Mr. Khalid Aziz Mirza**
Chairman
- 2. Mr. Naveed Kamran Baloch**
Member
- 3. Mr. Yoshiaki Matsuoka**
Member
- 4. Ms. Aminah Zahid Zaheer**
Member

Risk Committee

- 1. Ms. Aminah Zahid Zaheer**
Chairperson
- 2. Mr. Nasim Hyder**
Member
- 3. Mr. Yohei Honda**
Member
- 4. Mr. Shaheen Amin**
Member

Credit Committee

- 1. Mr. Shaheen Amin**
Chairman
- 2. Mr. Ramon Alfrey**
Member
- 3. Mian Faysal Riaz**
Member
- 4. Mr. Imtiaz Ahmed Chaudhary**
Member
- 5. Mr. Hira Lal Bharvani**
Member

Deputy Chief Executive Officer

Mr. Ramon Alfrey

Chief Financial Officer

Ms. Maryam Aziz

Company Secretary

Mr. Haider Abbas Kalhar

Head of Internal Audit and Secretary to Audit Committee

Mr. Nadeem Amir Ali

Head of Compliance

Mr. Rashid Ahmed

The Management Team

- 1. Mian Faysal Riaz**
Group General Manager - Head of Operations
- 2. Mr. Imtiaz Ahmed Chaudhary**
Head - Marketing
- 3. Mr. Hira Lal Bharvani**
Head - Human Resource
- 4. Mr. M. Ayub Khan**
Head - Special Assets Management
- 5. Mr. Tahir Ali Shah**
Head - Commercial Vehicle Division
- 6. Mr. Khawar Sultan**
Head - Consumer Auto Division
- 7. Mr. Waqas Ahmed Khwaja**
Head - Corporate Lease
- 8. Mr. Jawaid Akhter**
Head - Micro Finance Division
- 9. Mr. Shafique Ur Rehman**
Head - Risk Management
- 10. Mr. Hamood Ahmed**
Head - Business Control
- 11. Mr. Muhammad Ikram**
Head - Information Systems
- 12. Lt Col. (Retd.) Saad Saeed Ahmed**
Head - Administration

Credit Rating by PACRA

Long Term Entity Rating AA+
Short Term Entity Rating A1+

Auditors

A.F. Ferguson & Co.

Chartered Accountants
State Life Building No. 1-C, I.I. Chundrigar
Road P.O.Box 4716, Karachi - 74000, Pakistan

Shariah Advisor

Al - Hamd Shariah Advisory Services (Pvt) Limited

Legal Advisors

M/s Mansoor Ahmed Khan & Co.
M/s Mohsin Tayebaly & Co.

Registrar and Share Transfer Online

FAMCO Associates (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

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. Karandaz Pakistan
10. MCB Bank Limited
11. Meezan Bank Limited
12. PAIR Investment Company Limited
13. Soneri Bank Limited
14. Standard Chartered Bank (Pakistan) Limited
15. United Bank Limited

Registered and Head Office

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

Directors' Review Report

For the quarter ended September 30, 2020

The Board of Directors of ORIX Leasing Pakistan Limited (OLP / the Company) is pleased to present the unaudited condensed interim financial information for the first quarter ended September 30, 2020.

Financial Highlights and Business Review



The economy is gradually returning to normal with the easing of lockdown after the pandemic started receding in July 2020. After 3 months of virtual inactivity (disbursements of Rs. 338 million in the April to June 2020 quarter), pent up demand and significantly lower interest rates prevailing in the Country resulted in the Company achieving new business disbursements of Rs. 4.02 billion; 35% higher than Rs.2.98 billion disbursed in the first quarter of the corresponding year.

Despite challenging conditions, OLP's profit before taxation at Rs. 326 million was at same level as last year. Revenue declined by 22% to Rs. 895 million (Sep 2019: Rs. 1,152 million) due to reduction in interest rates which was partially compensated by a 36% reduction in financial cost at Rs. 303 million (Sep 2019: Rs. 474 million). Recoveries improved with revival in business activity in the SME segment and, as a result, provisions were reversed to the extent of Rs. 20 million (Sep 2019: provision charge Rs. 22.2 million). Profit after tax, at Rs. 236 million was 2% higher than the profit of Rs. 231 million earned in the first quarter of the corresponding year.

Future Outlook

After contracting by 0.4% in FY2020, the IMF expects GDP growth of 1% in FY2021 while the Government is targeting GDP growth of 2.1%. A few sectors, like vehicle manufacturers, witnessed substantial rise in business in the first quarter, while the performance of export oriented industries remained low due to economic downturn still prevailing in international markets. While the overall economic outlook for Pakistan is positive, the risk of a second wave of pandemic still persists, which, together with political uncertainty, could put the economy under pressure. A high inflation rate is also a major challenge for policy makers as it has the potential to hinder the nascent recovery.



The Company is cautiously optimistic about future business growth and writing new business with extreme care to re-build the balance sheet while maintaining a quality portfolio.

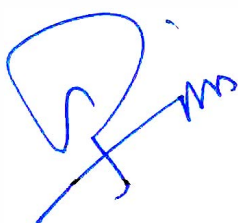
Performance of the Group

In compliance with section 227 of the Companies Act 2017, attached with this report is the consolidated condensed interim financial information of OLP and its subsidiaries (the Group) namely – ORIX Services Pakistan (Private) Limited and ORIX Modaraba – for the quarter ended September 30, 2020.

Financial Highlights of the Group's Performance are as follows:

	Quarter Ended	
	September 2020	September 2019
	----- Rupees -----	
Profit before taxation	336,430,443	326,643,338
Taxation	89,786,957	94,335,789
Net profit for the period after taxation	246,643,486	232,307,549
Profit attributable to Equity shareholders of the Holding Company	227,358,288	217,279,913
Profit attributable to non-controlling interest	19,285,198	15,027,636
Earnings per share – basic and diluted	1.36	1.30

On behalf of the board



Shaheen Amin
Chief Executive Officer
October 29, 2020



Khalid Aziz Mirza
Director

ڈائریکٹرز کی جائزہ رپورٹ

30 ستمبر کو ختم ہونے والی سہ ماہی کے لئے

اورکس لیزنگ پاکستان لمیٹڈ (اوایل پی ادی کمپنی) کے ڈائریکٹران بمسرت برائے اختتام پہلی سہ ماہی 30 ستمبر 2020 کے مختصر عبوری غیر آڈٹ شدہ مالیاتی معلومات پیش کرتے ہیں۔

مالیاتی جھلکیاں اور کاروباری جائزہ

سہ ماہی مالیاتی کارکردگی کا خلاصہ مندرجہ ذیل ہے:



جولائی 2020 سے وباء میں کمی اور لاک ڈاون میں نرمی کی وجہ سے معاشی سرگرمیاں اب بتدریج بہتری کی طرف گامزن ہے۔ تین ماہ کی فی الواقع غیر فعالی (اپریل تا جون 2020 میں 338 ملین کی ادائیگیوں) کے بعد طلب میں اضافہ اور ملک میں جاری شرح سود میں نمایاں کمی، کمپنی کے لئے Rs.4.20 بلین روپے کی کاروباری سرمائے کی فراہمی کا سبب بنے جو کہ گزشتہ سال کی پہلی سہ ماہی کے مقابلے میں جو 2.98 بلین روپے رہی، 35 فیصد زیادہ ہے۔

مشکل صورتحال کے باوجود، منافع قبل از محصول (ٹیکس) گزشتہ سال کے برابر 326 ملین روپے رہا۔ شرح سود میں کمی کی وجہ سے آمدنی 22 فیصد کم ہو کر 895 ملین روپے (ستمبر 2019: 1,152 ملین روپے) رہی۔ جس کی کسی حد تک تلافی 36 فیصد مالیاتی لاگت میں کمی (Rs.303 ملین (ستمبر 2019: Rs. 474 ملین روپے) سے کی گئی۔ درمیانی درجے کے کاروباری (SME) کی سرگرمیوں میں بہتری کے ساتھ وصولیابی میں بہتری آئی اور اس کے نتیجے میں پرویشن میں 20 ملین کی ریورسل کی گئی (ستمبر 2019 میں پرویشن چارج 22.2 ملین روپے) 236 ملین روپے بعد از محصول منافع جو گزشتہ سال کی پہلی سہ ماہی کے 231 ملین روپے مقابلے میں رہا جو کہ 2 فیصد زیادہ ہے۔

مستقبل کا منظر نامہ

FY2020 میں 0.4 فیصد محدود ہونے کے بعد، 2021 میں عالمی مالیاتی ادارہ (آئی ایم ایف) کے مطابق معاشی شرح نمو میں 1 فیصد ترقی کی امید رکھتا ہے جبکہ حکومت کی طرف سے یہ ہدف 2.1 فیصد رکھا گیا ہے۔ چند شعبہ جات، جیسے گاڑیوں کی صنعت میں پہلی سہ ماہی میں کاروبار میں اضافہ دیکھا گیا۔ جبکہ عالمی منڈی میں مندی کی وجہ سے برآمدات کے شعبے سے تعلق رکھنے والی صنعتوں کی کارکردگی بدستور کمزور رہے۔ پاکستان کی مجموعی معاشی صورتحال مثبت رہنے کی توقع ہے۔ عالمی وباء کی دوسری لہر کی آمد کا خطرہ اور غیر یقینی سیاسی صورتحال، معاشیات کو دباؤ میں رکھ سکتی ہیں۔ افراط زر کا بڑھنا بھی پالیسی بنانے والوں کے لئے چیلنج کا سبب بن سکتا ہے۔ جو کہ معاشی نمو متاثر کر سکتی ہے۔ کمپنی مستقبل کے کاروبار میں اضافے اور معیار کے پورٹفو لیو کو برقرار رکھنے کے ساتھ بیلنس شیٹ کو دوبارہ تشکیل دینے کے لئے انتہائی احتیاط کے ساتھ نئے کاروبار کے لئے پرامید ہے۔

گروپ کی کارکردگی

کمپنی ایکٹ 2017 کی دفعہ 227 کی پاسداری کے تحت اس رپورٹ کے ساتھ OLP اور اس کی ذیلی کمپنیوں بنام اور کس سرومز (پرائیویٹ) لمیٹڈ اور کس مضاربہ (گروپ) کی مجموعی اختصاری عبوری مالیاتی معلومات برائے اختتام پہلی سہ ماہی مدت 30 ستمبر، 2020 منسلک ہیں۔

گروپ کی کارکردگی پر مالی جھلکیاں درج ذیل ہیں:

اختتام سہ ماہی		تفصیلات
ستمبر 2019	ستمبر 2020	
----- روپے -----		
326,643,338	336,430,443	منافع قبل از محصول (ٹیکس)
94,335,789	89,786,957	محصولات (ٹیکس)
232,307,549	246,643,486	مدت کے لئے خالص منافع بعد از محصول (ٹیکس)
217,279,913	227,358,288	بالا دست کمپنی کے ایکویٹی حصص یافتگان کے منسوب منافع
15,027,636	19,285,198	تغیر پر شرح سود سے منسوب منافع
1.30	1.36	فی شیئر آمدنی - بنیادی اور ترقی شدہ

بورڈ کی جانب سے

K.H. =
خالد عزیز مرزا
ڈائریکٹر



شاہین امین

چیف ایگزیکٹو آفیسر

29 اکتوبر 2020

ORIX LEASING PAKISTAN LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020

	Note	September 30, 2020 (Un-audited)	June 30, 2020 (Audited)
(Rupees)			
ASSETS			
Non-current assets			
Fixed assets	5	1,655,827,059	1,736,680,099
Intangible assets	6	8,286,051	10,907,307
Net investment in finance lease	7	14,426,916,794	14,423,109,666
Current maturity		(7,667,379,616)	(7,503,453,058)
Allowance for potential lease losses		(922,396,357)	(935,907,045)
		(8,589,775,973)	(8,439,360,103)
		5,837,140,821	5,983,749,563
Investment in subsidiaries		322,374,294	322,374,294
Investment in associate		936,285,900	944,087,843
Long-term investments	8	380,153,445	442,872,077
Long-term finances and loans		2,888,679,725	2,312,670,328
Long-term deposits		13,512,566	12,932,566
		12,042,259,861	11,766,274,077
Current assets			
Short-term finances		165,962,062	233,606,528
Accrued return on investments and term finance		102,952,889	120,754,142
Current maturity of non-current assets	9	10,064,705,038	9,458,291,323
Short-term investments	10	251,356,652	803,339,788
Advances and prepayments		28,598,835	18,311,409
Other receivables		107,230,144	80,233,054
Cash and bank balances		190,556,995	207,910,897
Defined benefit plan asset		35,566,079	39,263,947
		10,946,928,694	10,961,711,088
Assets classified as held for sale	11	269,518,117	270,818,625
Total assets		23,258,706,672	22,998,803,790
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital		3,500,000,000	3,500,000,000
350,000,000 (June 30, 2020: 350,000,000) Ordinary shares of Rs.10 each			
Issued, subscribed and paid-up capital	12	1,670,549,020	1,670,549,020
Reserves		6,791,058,070	6,563,188,320
		8,461,607,090	8,233,737,340
Non-current liabilities			
Long-term finances	13	3,764,005,270	4,579,592,284
Long-term certificates of deposit		2,539,867,938	2,629,732,769
Deferred taxation		548,170,987	515,506,913
Other long-term liabilities		308,375,960	287,777,777
		7,160,420,155	8,012,609,743
Current liabilities			
Trade and other payables		948,310,881	362,241,725
Accrued interest / mark-up / profit on loans, finances and certificates of deposit		182,805,354	314,177,222
Unclaimed dividend		26,720,309	26,901,411
Short-term borrowings	14	997,067,682	171,304,003
Short-term certificates of deposit		1,035,272,234	1,046,812,035
Taxation - net		263,283,345	367,775,838
Current maturity of non-current liabilities	15	4,183,219,622	4,463,244,473
		7,636,679,427	6,752,456,707
Total equity and liabilities		23,258,706,672	22,998,803,790
Contingencies and Commitments	16		

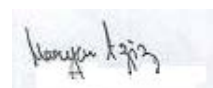
The annexed notes 1 to 28 form an integral part of this unconsolidated condensed interim financial information.



Chief Executive Officer



Director



Chief Financial Officer

ORIX LEASING PAKISTAN LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	For the quarter ended	
	September 30, 2020	September 30, 2019
Note	----- (Rupees) -----	
INCOME		
Income from operations		
Finance leases	564,974,985	796,760,117
Operating leases	39,315,824	50,468,864
Mark-up on term finance	211,804,739	226,986,277
	<u>816,095,548</u>	<u>1,074,215,258</u>
Income from other activities		
Other income - net	17 76,221,853	69,014,190
Share of profit of associate under equity accounting	18 2,999,195	8,797,344
	79,221,048	77,811,534
	<u>895,316,596</u>	<u>1,152,026,792</u>
EXPENSES		
Finance cost	19 302,759,875	474,301,131
Administrative and general expenses	251,079,428	288,211,135
Direct cost	35,887,695	42,238,380
	589,726,998	804,750,646
Profit before provision and taxation	<u>305,589,598</u>	<u>347,276,146</u>
(Reversal) / provision for potential lease and other loan losses - net	20 (20,495,283)	21,132,114
Other provisions - net	19,486	1,120,238
	(20,475,797)	22,252,352
Profit before taxation	<u>326,065,395</u>	<u>325,023,794</u>
Taxation - Current	54,730,433	55,254,046
- Deferred	35,056,524	39,081,743
	89,786,957	94,335,789
Profit for the period after taxation	<u>236,278,438</u>	<u>230,688,005</u>
Earnings per share - basic and diluted	25 <u>1.41</u>	<u>1.38</u>

The annexed notes 1 to 28 form an integral part of this unconsolidated condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

ORIX LEASING PAKISTAN LIMITED
 UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	For the quarter ended	
	September 30, 2020	September 30, 2019
	(Rupees)	
Profit for the period after taxation	236,278,438	230,688,005
Other comprehensive income		
<i>Items that will be subsequently reclassified to profit or loss</i>		
Exchange loss arising on translation of foreign associates - net of deferred tax	(8,607,319)	(35,359,497)
<i>Items that will not be subsequently reclassified to profit or loss</i>		
Fair value change on remeasurement of financial assets - net of deferred tax	-	(19,564,875)
Share of other comprehensive income of associate under equity accounting	198,631	129,191
	198,631	(19,435,684)
Total comprehensive income for the period	<u>227,869,750</u>	<u>175,892,824</u>

The annexed notes 1 to 28 form an integral part of this unconsolidated condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

ORIX LEASING PAKISTAN LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

Note	September 30, 2020	September 30, 2019
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation for the period	326,065,395	325,023,794
Adjustments for:		
Depreciation and amortisation	57,127,536	54,867,113
Amortisation of transaction cost	385,209	1,181,801
(Reversal) / provision for potential lease and other loan losses - net	(20,495,283)	21,132,114
Provision against other receivables	19,486	1,120,238
Charge for defined benefit plan	4,215,913	5,222,260
Share of profit of associate under equity accounting	(2,999,195)	(8,797,344)
Fair value changes on remeasurement of financial assets at fair value through profit or loss	2,573,826	(108,308)
Finance cost including bank charges	182,560,154	367,648,855
Profit on certificates of deposit	119,814,512	105,470,475
Dividend income	(11,345,883)	(11,345,883)
Return on investments and deposits	(23,852,701)	(20,387,066)
Other exchange (gain) / loss - net	(109,015)	121,666
Gain on disposal of fixed assets	(3,224,902)	(309,700)
	<u>304,669,657</u>	<u>515,816,221</u>
Operating profit before working capital changes	630,735,052	840,840,015
(Increase) / decrease in operating assets		
Investment in finance lease - net	(3,807,128)	606,369,634
Long-term finances and loans - net	(942,487,101)	(41,974,003)
Short-term finances	63,619,600	4,717,179
Long-term deposits	580,000	40,000
Advances and prepayments	(10,300,195)	1,257,640
Other receivables	(25,870,532)	312,377
	<u>(918,265,356)</u>	<u>570,722,827</u>
Increase / (decrease) in operating liabilities		
Other long term liabilities - net	(104,287,698)	(103,152,624)
Trade and other payables	589,767,024	168,662,920
	<u>485,479,326</u>	<u>65,510,296</u>
Cash generated from operating activities	197,949,022	1,477,073,138
Payment against staff retirement benefits	-	(4,802,181)
Income tax paid	(159,222,926)	(37,075,746)
	<u>(159,222,926)</u>	<u>(41,877,927)</u>
Net cash generated from operating activities	38,726,096	1,435,195,211
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred - own use and intangible assets	(3,341,072)	(12,537,823)
Proceeds from disposal of assets - own use	7,921,301	1,514,100
Proceeds from sale of ijarah finance assets	27,933,625	-
Investments - net	551,001,097	(148,123,823)
Interest received	31,325,429	26,820,803
Net cash generated from / (used in) investing activities	614,840,380	(132,326,743)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term finances	-	500,000,000
Short-term borrowings - net	-	(250,000,000)
Certificates of deposit redeemed - net	(102,789,414)	(28,961,221)
Repayment of long-term finances	(1,086,805,556)	(1,033,184,525)
Finance cost paid	(298,833,163)	(379,086,760)
Payment of lease liability against right-of-use assets	(8,074,821)	(2,492,745)
Dividend paid	(181,102)	(27,051)
Net cash used in financing activities	<u>(1,496,684,056)</u>	<u>(1,193,752,302)</u>
Net (decrease) / increase in cash and cash equivalents	(843,117,580)	109,116,166
Cash and cash equivalents at beginning of the period	36,606,894	(908,328,951)
Cash and cash equivalents at end of the period	<u>(806,510,686)</u>	<u>(799,212,785)</u>

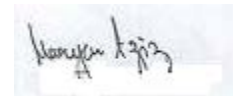
The annexed notes 1 to 28 form an integral part of this unconsolidated condensed interim financial information.



Chief Executive Officer



Director



Chief Financial Officer

ORIX LEASING PAKISTAN LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

Issued, subscribed and paid-up capital	Reserves						Total reserves	Total shareholders equity	
	Capital reserves					Revenue reserve			
	Share premium	Statutory reserve	Foreign currency translation reserve	Surplus / (deficit) on re-measurement of financial assets at fair value through other comprehensive income	Surplus on revaluation of leasehold land and office building	Unappropriated profit			
(Rupees)									
Balance as at July 1, 2019	1,670,549,020	1,585,210,523	1,459,535,379	239,588,276	(70,182,259)	302,897,105	2,825,490,700	6,342,539,724	8,013,088,744
Profit for the period	-	-	-	-	-	-	230,688,005	230,688,005	230,688,005
Other comprehensive income / (loss)	-	-	-	(35,359,497)	(19,564,875)	-	129,191	(54,795,181)	(54,795,181)
Total comprehensive income / (loss) for the period	-	-	-	(35,359,497)	(19,564,875)	-	230,817,196	175,892,824	175,892,824
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	-	-	-	(1,707,180)	1,707,180	-	-
Balance as at September 30, 2019	<u>1,670,549,020</u>	<u>1,585,210,523</u>	<u>1,459,535,379</u>	<u>204,228,779</u>	<u>(89,747,134)</u>	<u>301,189,925</u>	<u>3,058,015,076</u>	<u>6,518,432,548</u>	<u>8,188,981,568</u>
Balance as at July 1, 2020	1,670,549,020	1,585,210,523	1,599,979,697	257,750,041	(207,976,481)	862,518,492	2,465,706,048	6,563,188,320	8,233,737,340
Profit for the period	-	-	-	-	-	-	236,278,438	236,278,438	236,278,438
Other comprehensive income / (loss)	-	-	-	(8,607,319)	-	-	198,631	(8,408,688)	(8,408,688)
Total comprehensive income / (loss) for the period	-	-	-	(8,607,319)	-	-	236,477,069	227,869,750	227,869,750
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	-	-	-	(4,569,906)	4,569,906	-	-
Balance as at September 30, 2020	<u>1,670,549,020</u>	<u>1,585,210,523</u>	<u>1,599,979,697</u>	<u>249,142,722</u>	<u>(207,976,481)</u>	<u>857,948,586</u>	<u>2,706,753,023</u>	<u>6,791,058,070</u>	<u>8,461,607,090</u>

The annexed notes 1 to 28 form an integral part of this unconsolidated condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

ORIX LEASING PAKISTAN LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

1. LEGAL STATUS AND OPERATIONS

ORIX Leasing 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 Regulations) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Company is situated at ORIX Building, Plot No. 16, Sector No. 24, Korangi Industrial Area, Karachi.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a long-term rating of AA+ (2019: AA+) and a short-term rating of A1+ (2019: A1+) to the Company on March 04, 2020.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting, which comprise of:

- International Accounting Standard 34 " Interim Financial Reporting" (IFRSs) issued by the International Accounting Standards Board as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- Provisions of and directives issued under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

In case the requirements differ, the provisions of and directives issued under the Companies Act, 2017, the IFAS, the NBFC Rules or the NBFC Regulations have been followed.

2.2 Basis of measurement

These unconsolidated condensed interim financial information have been prepared under the historical cost convention except for the following:

- Leasehold land and office building are stated at revalued amounts;
- Financial instruments are stated at fair value;
- Non-current assets classified as held-for-sale are valued at lower of carrying amount and fair value less cost to sell;
- Obligation in respect of staff gratuity is measured at present value of the defined benefit obligation; and
- Investment in associate is valued under equity accounting method.

2.3 This unconsolidated condensed interim financial information does not include all the information required for a full set of financial statements and should be read in conjunction with the annual published unconsolidated audited financial statements of the Company for the year ended June 30, 2020.

2.4 The comparative statement of financial position presented in this unconsolidated condensed interim financial information has been extracted from the annual published unconsolidated audited financial statements of the Company for the year ended June 30, 2020, whereas the comparative profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flow are stated from the unconsolidated unaudited condensed interim financial information for the period ended September 30, 2019.

2.5 This unconsolidated condensed interim financial information has been presented in Pakistani Rupees, which is the functional currency of the Company.

3. SIGNIFICANT POLICIES, ESTIMATES, ASSUMPTIONS AND CHANGES THEREIN

3.1 The accounting policies adopted in the preparation of this unconsolidated condensed interim financial information are the same as those applied in the preparation of the annual published unconsolidated audited financial statements of the Company for the year ended June 30, 2020.

3.2 The preparation of this unconsolidated condensed interim financial information in conformity with the approved accounting standards requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.3 The significant judgments, estimates and assumptions made by Management in applying the Company's accounting policies and the factors used in making those estimates and associated assumptions were the same as those that were applied to the audited annual published unconsolidated financial statements for the year ended June 30, 2020.

3.4 Standards, interpretations and amendments to approved accounting standards that are not yet effective

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 1, 2020 but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated condensed interim financial information.

4 RISK MANAGEMENT POLICIES

The financial risk management objectives and policies are consistent with those disclosed in the annual audited published unconsolidated financial statements of the Company for the year ended June 30, 2020.

	(Un-audited) September 30, 2020	(Audited) June 30, 2020
	----- (Rupees) -----	
5 FIXED ASSETS		
Own use	1,129,789,488	1,147,780,393
Operating lease	131,847,554	134,373,122
Ijarah finance	284,525,483	340,687,251
Right-of-use assets	109,664,534	113,839,333
	<u>1,655,827,059</u>	<u>1,736,680,099</u>

5.1 The following is a statement of cost of additions and disposals to / from fixed assets for the quarter ended September 30, 2020.

	Own use		Right-of-use assets		Assets under Ijarah finance	
	Additions	Disposals	Additions	Disposals	Additions	Disposals
	----- (Rupees) -----					
Machinery	117,500	-	-	-	-	68,108,639
Right-of-use assets	-	-	2,942,198	-	-	-
Leasehold improvements	1,685,590	-	-	-	-	-
Furniture, fittings and office equipment	1,250,722	386,000	-	-	-	-
Computers and accessories	287,260	68,950	-	-	-	-
Vehicles	-	6,367,000	-	-	-	-
September 30, 2020	<u>3,341,072</u>	<u>6,821,950</u>	<u>2,942,198</u>	<u>-</u>	<u>-</u>	<u>68,108,639</u>
September 30, 2019	<u>12,537,823</u>	<u>3,077,167</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,000,000</u>

	(Un-audited) September 30, 2020	(Audited) June 30, 2020
	----- (Rupees) -----	
6 INTANGIBLE ASSETS		
Computer software and license	8,286,051	10,907,307

6.1 There were no additions / disposals (September 2019: Nil) during the period.

	(Un-audited) September 30, 2020	(Audited) June 30, 2020
	----- (Rupees) -----	
7 NET INVESTMENT IN FINANCE LEASE		
Instalment contract receivables	17,238,458,011	17,778,931,662
Residual value	7,578,021,784	7,578,780,621
Less: Adjustable security deposit	(7,551,998,181)	(7,554,263,764)
Gross investment in finance lease	17,264,481,614	17,803,448,519
Less: Unearned finance income	(2,837,564,820)	(3,380,338,853)
Present value of investment in finance lease	<u>14,426,916,794</u>	<u>14,423,109,666</u>

	(Un-audited) September 30, 2020	(Audited) June 30, 2020
	----- (Rupees) -----	
8 LONG-TERM INVESTMENTS		
At amortised cost		
Pakistan Investment Bonds (PIBs)	445,153,445	442,872,077
At fair value through other comprehensive income		
Al Hail ORIX Finance PSC	279,097,858	279,097,858
Less: Fair value change on remeasurement of financial assets	(279,097,858)	(279,097,858)
	-	-
Less: Current maturity	(65,000,000)	-
	<u>380,153,445</u>	<u>442,872,077</u>

	(Un-audited) September 30, 2020	(Audited) June 30, 2020
15 CURRENT MATURITY OF NON-CURRENT LIABILITIES	----- (Rupees) -----	
Current maturity of:		
Long-term finances	3,431,944,445	3,702,777,778
Long-term certificates of deposit	729,345,631	730,730,413
Lease liability against right-to-use assets	21,929,546	29,736,282
	<u>4,183,219,622</u>	<u>4,463,244,473</u>

16 CONTINGENCIES AND COMMITMENTS

16.1 There was no change in the status of contingencies as disclosed in the note 32 to the annual published unconsolidated financial statements for the year ended June 30, 2020.

16.2 Leases committed but not executed at the reporting date amounted to Rs. 12.79 million (June 2020: Rs. 9.01 million).

16.3 Commitments relating to capital expenditure at the reporting date amounted to Rs. 5.65 million (June 2020: Rs. 5.65 million).

	(Un-audited)	
	For the quarter ended	
	September 30, 2020	September 30, 2019
17 OTHER INCOME - NET	----- (Rupees) -----	
Income from investments	32,624,758	31,841,257
Other fees and income	43,597,095	37,172,933
	<u>76,221,853</u>	<u>69,014,190</u>

18 SHARE OF PROFIT OF ASSOCIATE UNDER EQUITY ACCOUNTING

Name of associate	(Un-audited)			
	For the quarter ended September 30, 2020		For the quarter ended September 30, 2019	
	Associates' profit after tax	Share of associates' profit after tax	Associates' profit after tax	Share of associates' profit after tax
----- (Rupees) -----				
Un-quoted - related party				
Saudi ORIX Leasing Company	149,959,742	2,999,195	351,893,758	8,797,344

	(Un-audited)	
	For the quarter ended	
	September 30, 2020	September 30, 2019
19 FINANCE COST	----- (Rupees) -----	
Interest / mark-up / profit on:		
- Long-term finances	175,128,131	338,982,136
- Short-term borrowings	2,435,972	23,802,754
- Certificates of deposit	119,814,512	105,470,475
- Lease liability against right-of-use assets	3,196,951	1,263,739
Amortisation of transaction cost	385,209	1,181,801
Bank charges and commission	1,799,100	3,600,226
	<u>302,759,875</u>	<u>474,301,131</u>

20 OTHER PROVISIONS - NET

Operating lease, investments and other receivables

Provision against other receivables	-	2,287,877
Reversal of provision against Ijarah receivable	-	(27,390)
	-	2,260,487

Others

Provision / (reversal) of impairment of assets classified as 'held for sale'	19,486	(1,140,249)
	<u>19,486</u>	<u>1,120,238</u>

21 SEGMENT INFORMATION

The Company has four primary reporting segments namely, 'Finance lease', 'Finances & Loans', 'Islamic Finance' and 'Operating lease', 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 for purchase of saloon vehicles. This segment also includes micro finance which primarily represents group / community based lending to the under-privileged community. Under the operating lease segment, the Company provides equipment on short-term rentals to corporate entities. Islamic Finance includes Ijarah and Diminishing Musharakah to corporate entities and individuals. Other operations, which do not fall into the above segment categories and are not deemed by the management to be sufficiently significant to disclose as separate items, are reported under 'Investment in subsidiaries, associates, and others'.

	2020					
	Finance lease	Finances and loans	Operating lease	Islamic Finance	Investment in subsidiaries, associates & others	Total
	----- (Rupees) -----					
Segment analysis for the quarter ended						
September 30, 2020 - (Unaudited)						
Segment revenues	593,402,245	215,695,507	761,905	38,553,919	46,903,020	895,316,596
Finance cost	207,918,695	58,581,713	1,758,579	5,223,130	29,277,758	302,759,875
Administrative and general expenses	192,627,734	51,083,313	4,354,068	3,014,313	-	251,079,428
Direct cost	4,067,392	358,690	3,514,602	27,947,011	-	35,887,695
(Reversal) / provision - net	(13,510,695)	(6,984,589)	-	-	19,487	(20,475,797)
Segment results	202,299,119	112,656,380	(8,865,344)	2,369,465	17,605,775	326,065,395
Provision for taxation						(89,786,957)
Profit for the period						236,278,438
Segment assets	13,509,688,652	5,284,779,294	131,847,551	284,525,486	2,225,317,945	21,436,158,928
Unallocated assets						1,822,547,744
Total assets						23,258,706,672
Segment liabilities	279,473,688	232,474,385	58,000	-	-	512,006,073
Unallocated liabilities						14,285,093,509
Total liabilities						14,797,099,582
For the quarter ended						
September 30, 2020 - (Unaudited)						
Capital expenditure	-	-	-	-	-	-
Depreciation	-	-	2,525,568	27,915,032	-	30,440,600
Unallocated capital expenditure	-	-	-	-	-	6,283,270
Unallocated depreciation and amortisation	-	-	-	-	-	26,686,936
	2019					
	Finance lease	Finances and loans	Operating lease	Islamic Finance	Investment in subsidiaries, associates & others	Total
	----- (Rupees) -----					
Segment analysis for the quarter ended						
September 30, 2019 - (Unaudited)						
Segment revenues	824,675,721	230,884,674	1,484,493	49,002,242	45,979,663	1,152,026,793
Finance cost	326,049,992	91,483,382	2,757,735	8,097,784	45,912,239	474,301,132
Administrative and general expenses	219,194,051	58,614,466	6,862,588	3,540,029	-	288,211,134
Direct cost	3,264,790	127,655	3,622,820	35,223,117	-	42,238,382
Provision / (reversal) - net	16,432,043	4,700,070	2,287,877	(27,390)	(1,140,249)	22,252,351
Segment result	259,734,845	75,959,101	(14,046,527)	2,168,702	1,207,673	325,023,794
Provision for taxation						(94,335,789)
Profit for the period						230,688,005
Segment assets and liabilities for the year ended						
June 30, 2020 (Audited)						
Segment assets	13,487,202,621	4,418,317,624	134,373,122	404,511,902	2,987,044,266	21,431,449,535
Unallocated assets						1,567,354,255
Total assets						22,998,803,790
Segment liabilities	52,771,236	9,539,048	7,190,967	134,490	-	69,635,741
Unallocated liabilities						14,695,430,709
Total liabilities						14,765,066,450
For the quarter ended						
September 30, 2019 - (Unaudited)						
Capital expenditure	-	-	-	-	-	-
Depreciation	-	-	2,525,568	35,211,817	-	37,737,385
Unallocated capital expenditure	-	-	-	-	-	12,537,823
Unallocated depreciation and amortisation	-	-	-	-	-	17,129,728

22 TRANSACTIONS / BALANCES WITH RELATED PARTIES

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

The Company in the normal course of business carries out transactions with various related parties. These transactions are executed substantially on the same terms as those prevailing at the time of comparable transactions with unrelated parties and do not involve more than a normal risk.

22.1 Transactions with related parties during the period are given below:

	(Un-audited)	
	For the quarter ended	
	September 30, 2020	September 30, 2019
	----- (Rupees) -----	
ORIX Modaraba - Subsidiary - 20% ownership		
Dividend income	11,345,883	11,345,883
Reimbursement of cost	147,534	122,304
ORIX Leasing Pakistan Limited-Employees Provident Fund (OLP - EPF)		
Contribution made	7,366,279	7,665,844
ORIX Leasing Pakistan Limited-Staff Gratuity Fund (OLP - SGF)		
Contribution made	-	4,802,181
Charity / Donation paid - Common Directorship		
The Indus Hospital	-	500,000
Other related party transactions during the period		
Directors and Key Management Personnel		
Compensation of directors and key management personnel		
Directors fees paid	900,000	1,000,000
Short-term employee benefits	36,523,681	37,336,682
Retirement benefits	1,364,119	3,430,252
Total compensation to directors and key management personnel	38,787,800	41,766,934
Other transactions with Key Management Personnel		
Amount of profit paid on certificates of deposit	48,201	47,445
Staff loans disbursed	1,850,000	-
Interest recovered on staff loans	514,379	479,613
Principal recovered on staff loans	2,250,036	1,678,953

	(Un-audited) September 30, 2020	(Audited) June 30, 2020
	----- (Rupees) -----	
Investment in subsidiaries	<u>322,374,294</u>	<u>322,374,294</u>
Investment in associate - Saudi ORIX Leasing Company - 2.5% ownership	<u>936,285,900</u>	<u>944,087,843</u>
Long-term investment - Al Hail ORIX Finance PSC (net of provision)	<u>-</u>	<u>-</u>
Assets classified as held for sale		
- OPP (Private) Limited - 45% ownership	<u>87,754,399</u>	<u>87,754,399</u>
- SAMA Finance SAE - 23% ownership	<u>172,043,037</u>	<u>172,043,037</u>
Certificates of deposit held	<u>2,100,000</u>	<u>2,100,000</u>
Accrued profit on certificates of deposit payable	<u>9,628</u>	<u>9,628</u>
Outstanding loans to Key Management Personnel	<u>20,546,551</u>	<u>20,042,773</u>
Receivable from ORIX Modaraba - Subsidiary	<u>11,493,417</u>	<u>-</u>
Receivable from Saudi ORIX Leasing Company - Associate	<u>3,460,379</u>	<u>9,697,526</u>
Receivable from ORIX Corporation, Japan - Parent Company	<u>757,140</u>	<u>757,140</u>

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of investments classified as "at fair value through profit or loss" and "at fair value through other comprehensive income" are based on active market. The investment in associate 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, 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 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:

- 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:

(Un-audited)
September 30, 2020

Fair value			
Level 1	Level 2	Level 3	Total

----- (Rupees) -----

Financial assets

Financial assets at fair value through other comprehensive income

Ordinary shares - unlisted	-	26,019,918	-	26,019,918
----------------------------	---	------------	---	------------

Financial assets at fair value through profit or loss

Treasury bills	-	225,336,734	-	225,336,734
----------------	---	-------------	---	-------------

Non-financial assets

Fixed assets (Leasehold land and building)	-	-	959,290,024	959,290,024
--	---	---	-------------	-------------

Total

-	251,356,652	959,290,024	-	1,210,646,676
---	-------------	-------------	---	---------------

(Audited)
June 30, 2020

Fair value			
Level 1	Level 2	Level 3	Total

----- (Rupees) -----

Financial assets

Financial assets at fair value through other comprehensive income

Ordinary shares - unlisted	-	26,019,918	-	26,019,918
----------------------------	---	------------	---	------------

Financial assets at fair value through profit or loss

Treasury bills	-	777,319,870	-	777,319,870
----------------	---	-------------	---	-------------

Non-financial assets

Fixed assets (Leasehold land and building)	-	-	965,428,358	965,428,358
--	---	---	-------------	-------------

Total

-	803,339,788	965,428,358	-	1,768,768,146
---	-------------	-------------	---	---------------

		(Un-audited)	
		For the quarter ended	
		September 30, 2020	September 30, 2019
		----- (Rupees) -----	
24 CASH AND CASH EQUIVALENTS			
Cash at bank		188,854,706	278,828,671
Cash in hand		1,702,290	1,698,981
		190,556,996	280,527,652
Short-term running finance facilities		(997,067,682)	(1,079,740,437)
		<u>(806,510,686)</u>	<u>(799,212,785)</u>
25 EARNINGS PER SHARE - BASIC AND DILUTED			
Profit for the year after taxation (Rupees)		<u>236,278,438</u>	<u>230,688,005</u>
Weighted average number of ordinary shares		<u>167,054,902</u>	<u>167,054,902</u>
Earnings per share - basic and diluted (Rupees)		<u>1.41</u>	<u>1.38</u>

Diluted earnings per share has not been presented separately as the Company does not have any convertible instruments in issue as at September 30, 2020 and September 30, 2019, which would have any effect on the earnings per share if the option to convert is exercised.

26 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its meeting held on September 29, 2020 proposed a final cash dividend of Rs. 1.25 per share (2019: Rs. 3.75 per share) for the year ended June 30, 2020, amounting to Rs. 208,818,628 (2019: Rs. 626,455,883) and proposed a bonus issue in the ratio of 1 share for every 20 shares held amounting to Rs. 83,527,451 (2019: Nil). This appropriation will be approved by the members of the Company at the Annual General Meeting to be held on October 27, 2020. The unconsolidated condensed interim financial information for the period ended September 30, 2020 does not include the effect of the above appropriations which will be accounted for in the unconsolidated financial statements of the Company for the year ending June 30, 2021.

27 DATE OF AUTHORISATION FOR ISSUE

This unconsolidated condensed interim financial information was authorised for issue on October 29, 2020 by the Board of Directors of the Company.

28 GENERAL

28.1 Figures reported in this unconsolidated condensed interim financial information have been rounded off to the nearest Rupee unless otherwise stated.

28.2 Certain corresponding figures have been reclassified, rearranged or additionally incorporated in this unconsolidated condensed interim financial information for the purposes of comparison and better presentation. There were no significant reclassifications / restatements to corresponding figures during the period.

Chief Executive Officer

Director

Chief Financial Officer

ORIX LEASING PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020

	Note	September 30, 2020 (Un-audited)	June 30, 2020 (Audited)
ASSETS			
Non-current assets			
Fixed assets	5	4,191,525,754	4,373,998,639
Intangible assets	6	56,140,197	61,906,765
Net investment in finance lease	7	14,426,916,794	14,423,109,666
Current maturity		(7,667,379,616)	(7,503,453,058)
Allowance for potential lease losses		(922,396,357)	(935,907,045)
		(8,589,775,973)	(8,439,360,103)
		5,837,140,821	5,983,749,563
Investment in associate		936,285,900	944,087,843
Long-term investments	8	393,269,305	454,228,517
Long-term finances and loans		4,933,473,907	4,558,157,907
Long-term deposits		13,512,566	12,932,566
		16,361,348,450	16,389,061,800
Current assets			
Short-term finances		165,962,063	233,606,528
Accrued return on investments and term finance		102,952,889	163,434,051
Current maturity of non-current assets	9	11,161,364,164	10,443,289,111
Short-term investments	10	251,356,652	803,339,788
Advances and prepayments		212,185,043	123,539,353
Other receivables		243,155,482	268,546,763
Cash and bank balances		1,129,383,244	1,250,709,145
Defined benefit plan asset		35,566,079	39,263,947
Net investment in Ijara finance		370,000	370,000
		13,302,295,616	13,326,098,686
Assets classified as held for sale	11	269,518,117	270,818,625
Total assets		29,933,162,183	29,985,979,111
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital		3,500,000,000	3,500,000,000
350,000,000 (June 30, 2020: 350,000,000) Ordinary shares of Rs.10 each			
Issued, subscribed and paid-up capital	12	1,670,549,020	1,670,549,020
Reserves		6,746,781,051	6,527,831,451
Total equity attributable to equity holder of the Holding Company		8,417,330,071	8,198,380,471
Non-controlling interest		909,863,302	981,345,164
		9,327,193,373	9,179,725,635
Non-current liabilities			
Long-term finances	13	4,392,839,725	5,300,407,489
Long-term certificates of deposit		2,539,867,938	2,629,732,769
Long-term deposits		361,113,242	375,075,859
Deferred taxation		548,170,987	515,506,913
Other long-term liabilities		308,375,960	287,777,777
Redeemable capital		37,550,000	39,100,000
		8,187,917,852	9,147,600,807
Current liabilities			
Trade and other payables		1,264,791,095	602,817,775
Accrued interest / mark-up, profit on loans, finances and certificates of deposit		256,130,070	392,671,256
Unpaid dividend		90,767,059	-
Unclaimed dividend		84,333,109	85,020,835
Short-term borrowings	14	997,067,682	171,304,003
Short-term certificates of deposit		1,035,272,234	1,046,812,035
Taxation - net		237,559,032	9,016,838,060
Current maturity of non-current liabilities	15	8,452,130,677	343,188,705
		12,418,050,958	11,658,652,669
Total equity and liabilities		29,933,162,183	29,985,979,111
Contingencies and Commitments	16		

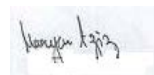
The annexed notes 1 to 28 form an integral part of this consolidated condensed interim financial information.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

**ORIX LEASING PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	Note	For the quarter ended	
		September 30, 2020	September 30, 2019
-----Rupees-----			
INCOME			
Income from operations			
Finance leases		564,974,985	796,760,117
Operating leases		359,995,291	415,610,562
Mark-up on term finance		301,764,639	341,574,517
		<u>1,226,734,915</u>	<u>1,553,945,196</u>
Income from other activities			
Other income - net	17	<u>86,780,682</u>	<u>75,948,621</u>
Share of profit of associate under equity accounting	18	<u>2,999,195</u>	<u>8,797,344</u>
		<u>89,779,877</u>	<u>84,745,965</u>
		<u>1,316,514,792</u>	<u>1,638,691,161</u>
EXPENSES			
Finance cost	19	<u>388,676,385</u>	<u>624,219,759</u>
Administrative and general expenses		<u>304,989,196</u>	<u>336,944,563</u>
Direct cost		<u>290,311,094</u>	<u>327,722,329</u>
		<u>983,976,675</u>	<u>1,288,886,651</u>
Profit before provision and taxation		<u>332,538,117</u>	<u>349,804,510</u>
(Reversal) / provision for potential lease and other loan losses - net		<u>(10,855,512)</u>	<u>21,132,114</u>
Other provisions - net	20	<u>6,963,186</u>	<u>2,029,058</u>
		<u>(3,892,326)</u>	<u>23,161,172</u>
Profit before taxation		<u>336,430,443</u>	<u>326,643,338</u>
Taxation - Current		<u>54,730,433</u>	<u>55,254,046</u>
- Deferred		<u>35,056,524</u>	<u>39,081,743</u>
		<u>89,786,957</u>	<u>94,335,789</u>
Profit for the period after taxation		<u>246,643,486</u>	<u>232,307,549</u>
Profit attributable to			
Equity holders of the Holding Company		<u>227,358,288</u>	<u>217,279,913</u>
Non-controlling interest		<u>19,285,198</u>	<u>15,027,636</u>
		<u>246,643,486</u>	<u>232,307,549</u>
EARNINGS PER SHARE - basic and diluted	25	<u>1.36</u>	<u>1.30</u>

The annexed notes 1 to 28 form an integral part of this consolidated condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

**ORIX LEASING PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	<u>For the quarter ended</u>	
	<u>September 30,</u> 2020	<u>September 30,</u> 2019
	-----Rupees-----	
Profit for the period after taxation attributable to:		
Equity holders of the Holding Company	227,358,288	217,279,913
Non-controlling interest	<u>19,285,198</u>	<u>15,027,636</u>
	246,643,486	232,307,549
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit and loss</i>		
Exchange loss arising on translation of foreign associates - net of deferred tax	(8,607,319)	(35,359,497)
<i>Items that will not be subsequently reclassified to profit or loss</i>		
Fair value change on remeasurement of financial assets - net of deferred tax	-	(19,564,875)
Share of other comprehensive income of associate under equity accounting	198,631	129,191
	198,631	(19,435,684)
Total comprehensive income for the period	<u><u>238,234,798</u></u>	<u><u>177,512,368</u></u>
Total comprehensive income for the period attributable to:		
Equity holders of the Holding Company	218,949,600	162,484,732
Non-controlling interest	<u>19,285,198</u>	<u>15,027,636</u>
	<u><u>238,234,798</u></u>	<u><u>177,512,368</u></u>

The annexed notes 1 to 28 form an integral part of this consolidated condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

ORIX LEASING PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

Note	September 30, 2020	September 30, 2019
-----Rupees-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation for the period	336,430,443	326,643,338
Adjustments for:		
Depreciation and amortisation	315,824,677	344,601,234
Amortisation of transaction cost	385,209	1,181,801
(Reversal) / provision for potential lease and other loan losses - net	(10,855,512)	21,132,114
Provision against other receivables	5,819,421	1,120,238
Provision for workers' welfare fund	737,312	581,958
Provision for service sales tax	406,453	326,862
Charge for defined benefit plan	4,215,913	5,222,260
Share of profit of associate under equity accounting	(2,999,195)	(8,797,344)
Fair value changes on remeasurement of financial assets at fair value through profit or loss	814,406	1,024,912
Finance cost including bank charges	268,476,664	517,567,483
Profit on certificates of deposit	119,814,512	105,470,475
Dividend income	(260,580)	(313,099)
Return on investments and deposits	(39,010,163)	(29,698,396)
Other exchange (gain) / loss - net	(109,015)	121,666
Gain on disposal of fixed assets	(5,221,706)	(6,089,263)
	<u>658,038,396</u>	<u>953,452,901</u>
Operating profit before working capital changes	<u>994,468,839</u>	<u>1,280,096,239</u>
(Increase) / decrease in operating assets		
Investment in finance lease - net	(3,807,128)	606,369,634
Long-term finances and loans - net	(863,094,811)	147,280,407
Short-term finances	63,619,600	4,717,179
Long-term deposits	580,000	40,000
Advances and prepayments	(28,648,436)	(11,429,814)
Other receivables	4,464,063	(4,614,602)
	<u>(826,886,712)</u>	<u>742,362,804</u>
Increase / (decrease) in operating liabilities		
Deposits from lessees - net	7,066,574	(14,468,501)
Other long term liabilities - net	(104,287,698)	(103,152,624)
Trade and other payables	664,527,419	113,768,785
	<u>567,306,295</u>	<u>(3,852,340)</u>
Cash generated from operating activities	<u>734,888,422</u>	<u>2,018,606,703</u>
Payment against staff retirement benefits	-	(4,802,181)
Income tax paid	(160,360,105)	(38,660,436)
	<u>(160,360,105)</u>	<u>(43,462,617)</u>
Net cash generated from operating activities	<u>574,528,317</u>	<u>1,975,144,086</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred - own use and intangible assets	(3,648,548)	(12,537,823)
Proceeds from disposal of assets - own use	7,921,301	1,514,100
Capital expenditure incurred - ijarah finance	(224,908,442)	(275,282,761)
Proceeds from sale of ijarah finance assets	101,214,363	115,196,322
Investments - net	551,001,097	(148,123,823)
Dividend received	260,580	313,099
Interest received	34,060,736	34,706,206
Net cash generated from / (used in) investing activities	<u>465,901,087</u>	<u>(284,214,680)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term finances	(399,242,474)	331,732,272
Short-term borrowings - net	-	(250,000,000)
Certificates of deposit redeemed - net	(102,789,414)	(28,961,221)
Repayment of long-term finances	(1,086,805,556)	(1,033,184,525)
Finance cost paid	(389,918,991)	(579,620,544)
Payment of lease liability against right-of-use assets	(8,074,822)	(2,492,745)
Dividend paid	(687,726)	(93,656)
Net cash used in financing activities	<u>(1,987,518,983)</u>	<u>(1,562,620,419)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(947,089,579)</u>	<u>128,308,987</u>
Cash and cash equivalents at beginning of the period	<u>1,079,405,142</u>	<u>(466,421,613)</u>
Cash and cash equivalents at end of the period	<u>24</u> <u>132,315,563</u>	<u>(338,112,626)</u>

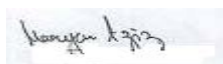
The annexed notes 1 to 28 form an integral part of this consolidated condensed interim financial information.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ORIX LEASING PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

Attributable to equity shareholders of the Holding Company									Non-controlling interest	Total
Reserves										
Issued, subscribed and paid-up capital	Capital Reserves					Revenue reserve	Total reserves			
	Share premium	Statutory reserve	Foreign currency translation reserve	Surplus / (deficit) on re-measurement of financial assets at fair value through other comprehensive income	Surplus on revaluation of leasehold land and office building	Unappropriated profit				
Rupees										
Balance as at July 1, 2019	1,670,549,020	1,585,210,523	1,459,535,379	239,588,276	(70,182,259)	302,897,105	2,792,582,854	6,309,631,878	979,976,301	8,960,157,199
Profit for the period	-	-	-	-	-	-	217,279,913	217,279,913	15,027,636	232,307,549
Other comprehensive income / (loss)	-	-	-	(35,359,497)	(19,564,875)	-	129,191	(54,795,181)	-	(54,795,181)
Total comprehensive income for the period	-	-	-	(35,359,497)	(19,564,875)	-	217,409,104	162,484,732	15,027,636	177,512,368
Transactions with owners recorded directly in equity										
Profit distribution for the year ended June 30, 2019 @ Rs. 2.5 per certificate	-	-	-	-	-	-	-	-	(90,767,060)	(90,767,060)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	-	-	-	(1,707,180)	1,707,180	-	-	-
Balance as at September 30, 2019	1,670,549,020	1,585,210,523	1,459,535,379	204,228,779	(89,747,134)	301,189,925	3,011,699,138	6,472,116,610	904,236,877	9,046,902,507
Balance as at July 1, 2020	1,670,549,020	1,585,210,523	1,599,979,697	257,750,041	(207,976,481)	862,518,492	2,430,349,179	6,527,831,451	981,345,164	9,179,725,635
Profit for the period	-	-	-	-	-	-	227,358,288	227,358,288	19,285,198	246,643,486
Other comprehensive income / (loss)	-	-	-	(8,607,319)	-	-	198,631	(8,408,688)	-	(8,408,688)
Total comprehensive income / (loss) for the period	-	-	-	(8,607,319)	-	-	227,556,919	218,949,600	19,285,198	238,234,798
Transactions with owners recorded directly in equity										
Profit distribution for the year ended June 30, 2020 @ Rs. 2.5 per certificate	-	-	-	-	-	-	-	-	(90,767,060)	(90,767,060)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	-	-	-	(4,569,906)	4,569,906	-	-	-
Balance as at September 30, 2020	1,670,549,020	1,585,210,523	1,599,979,697	249,142,722	(207,976,481)	857,948,586	2,662,476,004	6,746,781,051	909,863,302	9,327,193,373

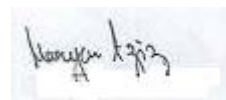
The annexed notes 1 to 28 form an integral part of this consolidated condensed interim financial information.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ORIX LEASING PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES
NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

1 LEGAL STATUS AND OPERATIONS

The "Group" consists of:

- (i) ORIX Leasing Pakistan Limited - the Holding Company
- (ii) ORIX Services Pakistan (Private) Limited - Subsidiary company
- (iii) ORIX Modaraba - Subsidiary company

1.1 Holding company

ORIX Leasing 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 Regulations) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Company is situated at ORIX Building, Plot No. 16, Sector No. 24, Korangi Industrial Area, Karachi.

- 1.2 The Pakistan Credit Rating Agency Limited (PACRA) has assigned a long-term rating of AA+ (2019: AA+) and a short-term rating of A1+ (2019: A1+) to the Company on March 04, 2020.

2 BASIS OF PREPERATION

2.1 Statement of compliance

These consolidated condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting, which comprise of:

- International Accounting Standard 34 " Interim Financial Reporting" (IFRSs) issued by the International Accounting Standards Board as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- Provisions of and directives issued under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

In case the requirements differ, the provisions of and directives issued under the Companies Act, 2017, the IFAS, the NBFC Rules or the NBFC Regulations have been followed.

2.2 Basis of measurement

These consolidated condensed interim financial information have been prepared under the historical cost convention except for the following:

- Leasehold land and office building are stated at revalued amounts;
- Financial instruments are stated at fair value;
- Non-current assets classified as held-for-sale are valued at lower of carrying amount and fair value less cost to sell;
- Obligation in respect of staff gratuity is measured at present value of the defined benefit obligation; and
- Investment in associate is valued under equity accounting method.

- 2.3 This consolidated condensed interim financial information does not include all the information required for a full set of financial statements and should be read in conjunction with the annual published consolidated audited financial statements of the Company for the year ended June 30, 2020.

- 2.4 The comparative statement of financial position presented in this consolidated condensed interim financial information has been extracted from the annual published consolidated audited financial statements of the Holding Company for the year ended June 30, 2020, whereas the comparative statement of profit or loss account, statement of comprehensive income, statement of changes in equity and cash flow statement are stated from the consolidated unaudited condensed interim financial information for the period ended September 30, 2019.

- 2.5 This consolidated condensed interim financial information has been presented in Pakistani Rupees, which is the functional currency of the Holding Company.

3 SIGNIFICANT POLICIES, ESTIMATES, ASSUMPTIONS AND CHANGES THEREIN

- 3.1 The accounting policies adopted in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the annual published consolidated audited financial statements of the Holding Company for the year ended June 30, 2020.

- 3.2 The preparation of this consolidated condensed interim financial information in conformity with the approved accounting standards requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

- 3.3 The significant judgments, estimates and assumptions made by Management in applying the Holding Company's accounting policies and the factors used in making those estimates and associated assumptions were the same as those that were applied to the audited annual published consolidated financial statements for the year ended June 30, 2020.

3.4 Standards, interpretations and amendments to approved accounting standards that are not yet effective

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 1, 2020 but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not detailed in these consolidated condensed interim financial information.

4 RISK MANAGEMENT POLICIES

The financial risk management objectives and policies are consistent with those disclosed in the annual audited published consolidated financial statements of the Company for the year ended June 30, 2020.

	(Un-audited) September 30, 2020	(Audited) June 30, 2020
	-----Rupees-----	
5 FIXED ASSETS		
Own use	1,134,343,985	1,153,155,844
Operating lease	131,847,554	134,373,122
Ijarah finance	2,815,669,681	2,972,630,340
Right-of-use assets	<u>109,664,534</u>	<u>113,839,333</u>
	<u>4,191,525,754</u>	<u>4,373,998,639</u>

5.1 The following is a statement of cost of additions and disposals to / from fixed assets for the quarter ended September 30, 2020.

	Own use		Right-of-use assets		Assets under Ijarah financing	
	Additions	Disposals	Additions	Disposals	Additions	Disposals
	-----Rupees-----					
Generators / Machinery	117,500	-	-	-	173,093,633	127,364,135
Right-of-use assets	-	-	2,942,198	-	-	-
Leasehold improvements	1,685,590	-	-	-	-	-
Furniture, fittings and office equipment	1,558,198	386,000	-	-	-	-
Computers and accessories	287,260	68,950	-	-	-	-
Vehicles	-	6,367,000	-	-	51,814,809	149,978,789
September 30, 2020	<u>3,648,548</u>	<u>6,821,950</u>	<u>2,942,198</u>	<u>-</u>	<u>224,908,442</u>	<u>277,342,924</u>
September 30, 2019	<u>12,537,823</u>	<u>3,077,167</u>	<u>-</u>	<u>-</u>	<u>275,282,761</u>	<u>474,033,429</u>

	(Un-audited) September 30, 2020	(Audited) June 30, 2020
	-----Rupees-----	
6 INTANGIBLE ASSETS		
Computer software and license	8,625,750	11,320,889
Goodwill	13,728,733	13,728,733
Customer relationship for Ijarah	<u>33,785,714</u>	<u>36,857,143</u>
	<u>56,140,197</u>	<u>61,906,765</u>

6.1 There were no additions / disposals (September 2019: Nil) during the period.

7 NET INVESTMENT IN FINANCE LEASE

Instalment contract receivables	17,238,458,011	17,778,931,662
Residual value	7,578,021,784	7,578,780,621
Less: Adjustable security deposit	<u>(7,551,998,181)</u>	<u>(7,554,263,764)</u>
Gross investment in finance lease	17,264,481,614	17,803,448,519
Less: Unearned finance income	<u>(2,837,564,820)</u>	<u>(3,380,338,853)</u>
Present value of investment in finance lease	<u>14,426,916,794</u>	<u>14,423,109,666</u>

8 LONG-TERM INVESTMENTS

Amortised cost

Pakistan Investment Bonds (PIBs)	445,153,445	442,872,077
Investment in sukuk certificates	<u>57,701,835</u>	<u>57,701,835</u>
Less: Provision for potential losses on investments	<u>(57,701,835)</u>	<u>(57,701,835)</u>
	-	-

At fair value through profit or loss

Units of collective investment scheme

National Investment (Unit) Trust		
202,000 (2020: 202,000 units of Rs. 10 each)		
Cost Rs. 1,363,500 (2020: Rs. 1,363,500)	13,115,860	11,356,440

At fair value through other comprehensive income

Al Hail ORIX Finance PSC	<u>279,097,858</u>	<u>279,097,858</u>
Less: Fair value change on remeasurement of financial assets	<u>(279,097,858)</u>	<u>(279,097,858)</u>
	-	-
Less: Current maturity	<u>(65,000,000)</u>	<u>-</u>
	<u>393,269,305</u>	<u>454,228,517</u>

16 CONTINGENCIES AND COMMITMENTS

- 16.1 There was no change in the status of contingencies as disclosed in the note 33 to the annual published consolidated financial statements for the year ended June 30, 2020.
- 16.2 Leases committed but not executed at the reporting date amounted to Rs. 12.79 million (June 2020: Rs. 9.01 million).
- 16.3 Commitments relating to capital expenditure at the reporting date amounted to Rs. 5.65 million (2020: Rs. 5.65 million).
- 16.4 The Modaraba has issued letters of comfort to various commercial banks on behalf of its customers. These aggregate to Rs.107.7 million (2020: Rs. 107.7 million) as at the reporting date.

		(Un-audited)	
		For the quarter ended	
		September 30, 2020	September 30, 2019
		-----Rupees-----	
17 OTHER INCOME - NET			
Income from investments		37,878,225	29,224,595
Other fees and income		48,902,457	46,724,026
		<u>86,780,682</u>	<u>75,948,621</u>

18 SHARE OF PROFIT OF ASSOCIATE UNDER EQUITY ACCOUNTING

					(Un-audited)	
					For the quarter ended September 30, 2020	For the quarter ended September 30, 2019
Name of associate	Associates' profit after tax	Share of associates' profit after tax	Associates' profit after tax	Share of associates' profit after tax	-----Rupees-----	
Un-quoted - related party						
Saudi ORIX Leasing Company	<u>149,959,742</u>	<u>2,999,195</u>	<u>351,893,758</u>	<u>8,797,344</u>		

		(Un-audited)	
		For the quarter ended	
		September 30, 2020	September 30, 2019
		-----Rupees-----	
19 FINANCE COST			
Interest / mark-up / profit on:			
- Long-term finances		175,128,131	338,982,136
- Redeemable capital		57,391,511	82,814,412
- Musharika finance arrangements		19,937,160	62,661,798
- Short-term borrowings		2,435,972	23,802,754
- Certificates of deposit		119,814,512	105,470,475
- Lease liability against right-of-use assets		3,196,951	1,263,739
Amortisation of transaction cost		385,209	1,181,801
Bank charges and commission		10,386,939	8,042,644
		<u>388,676,385</u>	<u>624,219,759</u>
20 OTHER PROVISIONS - NET			
Operating lease, investments and other receivables			
Provision against other receivables		-	2,287,877
Provision / (reversal) against Ijarah receivable		5,799,935	(27,390)
Others			
Provision against Workers' Welfare Fund		737,312	581,958
Provision for services sales tax on Management Company's remuneration		406,453	326,862
Provision / (reversal) of impairment of assets classified as 'held for sale'		19,486	(1,140,249)
		<u>6,963,186</u>	<u>2,029,058</u>

22 TRANSACTIONS / BALANCES WITH RELATED PARTIES

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

The 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.

22.1 Transactions with related parties during the period are given below:

	(Un-audited)	
	For the quarter ended	
	September 30, 2020	September 30, 2019
	-----Rupees-----	
ORIX Leasing Pakistan Limited-Employees Provident Fund (OLP - EPF)		
Contribution made	7,366,279	7,665,844
ORIX Modaraba-Employees Provident Fund		
Contribution made	1,211,049	1,146,449
ORIX Leasing Pakistan Limited-Staff Gratuity Fund (OLP - SGF)		
Contribution made	-	4,802,181
AWT Investments Limited (AWTIL)		
Profit on Certificate of Musharaka	457,835	1,062,500
ORIX Modaraba-Staff Gratuity Fund		
Contribution made	1,008,790	954,987
Reimbursement from Staff Gratuity Fund	-	93,480
Charity / Donation paid - Common Directorship		
Layton Rahmatullah Benevolent Trust (LRBT)	1,000,000	-
The Indus Hospital	-	500,000
Other related party transactions		
Compensation of Directors and Key Management Personnel		
Directors' fees paid	900,000	1,125,000
Short-term employee benefits	51,276,030	58,259,819
Retirement benefits	2,210,110	4,257,053
Total compensation to directors and key management personnel	54,386,140	63,641,872
Other transactions with Key Management Personnel		
Profit paid on certificates of deposit	48,201	47,445
Income earned on DM finances to Key management personnel	1,553,108	1,545,831
Staff loans disbursed	1,850,000	-
Interest recovered on staff loans	514,379	479,613
Principal recovered on staff loans	2,250,036	1,678,953
Profit paid on Redeemable Capital	126,721	135,415
	(Un-audited)	(Audited)
	September 30, 2020	June 30, 2020
	-----Rupees-----	
Balances with related parties as at period / year end		
Investment in associate - Saudi ORIX Leasing Company - 2.5% ownership	936,285,900	944,087,843
Long-term investment - Al Hail ORIX Finance PSC (net of provision)	-	-
Assets classified as held for sale		
- OPP (Private) Limited - 45% ownership	87,754,399	87,754,399
- SAMA Finance SAE - 23% ownership	172,043,038	172,043,037
Certificates of deposit held	2,100,000	2,100,000
Accrued profit on certificates of deposit	9,628	9,628
Profit payable on redeemable capital to Key Management Personnel	406,848	280,127
Accrued profit on finances under Diminishing Musharika	149,812	226,999
Outstanding loans to Key Management Personnel	72,200,874	73,572,531
Advance to Chief Executive Officer of the Management Company	960,000	-
Receivable from Saudi ORIX Leasing Company - Associate	3,460,379	9,697,526
Receivable from ORIX Corporation, Japan - Parent Company	757,140	757,140
Redeemable Capital to Key Management Personnel	8,050,000	4,550,000

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates. Underlying the definition of fair value is the presumption that the 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 value of investments classified as "at fair value through profit or loss" and "at fair value through other comprehensive income" are based on active market. The investment in associate is accounted for using the equity method.

Fair 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.

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:

September 30, 2020 (Un-audited)				
Fair value				
Level 1	Level 2	Level 3	Total	
----- (Rupees) -----				
Financial assets				
Financial assets at fair value through other comprehensive income				
Al-Hail ORIX Finance PSC	-	-	-	-
Ordinary shares-unlisted	-	26,019,918	-	26,019,918
Financial assets at fair value through profit or loss				
Treasury bills	-	225,336,734	-	225,336,734
Units of collective investment scheme	13,115,860	-	-	13,115,860
Non-financial assets				
Fixed assets (Leasehold land & building)	-	-	959,290,024	959,290,024
Total	13,115,860	251,356,652	959,290,024	1,223,762,536

June 30, 2020 (Audited)				
Fair value				
Level 1	Level 2	Level 3	Total	
----- (Rupees) -----				
Financial assets				
Financial assets at fair value through other comprehensive income				
Al-Hail ORIX Finance PSC	-	-	-	-
Ordinary shares-unlisted	-	26,019,918	-	26,019,918
Financial assets at fair value through profit or loss				
Treasury bills	-	777,319,870	-	777,319,870
Units of collective investment scheme	10,988,800	-	-	10,988,800
Non-financial assets				
Fixed assets (Leasehold land & building)	-	-	965,428,358	965,428,358
Total	10,988,800	803,339,788	965,428,358	1,779,756,946

		(Un-audited)	
		For the quarter ended	
		September 30, 2020	September 30, 2019
		-----Rupees-----	
24	CASH AND CASH EQUIVALENTS		
	Cash at bank	1,127,605,955	739,928,830
	Cash in hand	1,777,290	1,698,981
		1,129,383,245	741,627,811
	Short term running finance facilities	(997,067,682)	(1,079,740,437)
		<u>132,315,563</u>	<u>(338,112,626)</u>
25	EARNINGS PER SHARE - BASIC AND DILUTED		
	Profit for the period after taxation attributable to ordinary shareholders of the Holding Company (Rupees)	<u>227,358,288</u>	<u>217,279,913</u>
	Weighted average number of ordinary shares	<u>167,054,902</u>	<u>167,054,902</u>
	Earnings per share - basic and diluted (Rupees)	<u>1.36</u>	<u>1.30</u>

Diluted earnings per share has not been presented separately as the Holding Company does not have any convertible instruments in issue as at September 30, 2020 and September 30, 2019, which would have any effect on the earnings per share if the option to convert is exercised.

26 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Holding Company in its meeting held on September 29, 2020 proposed a final cash dividend of Rs. 1.25 per share (2019: Rs. 3.75 per share) for the year ended June 30, 2020, amounting to Rs. 208,818,628 (2019: Rs. 626,455,883) and proposed a bonus issue in the ratio of 1 share for every 20 shares held amounting to Rs. 83,527,451 (2019: Nil). This appropriation will be approved by the members of the Holding Company at the Annual General Meeting to be held on October 27, 2020. The consolidated condensed interim financial information for the period ended September 30, 2020 does not include the effect of the above appropriations which will be accounted for in the consolidated financial statements of the Group for the year ending June 30, 2021.

27 DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue on October 29, 2020 by the Board of Directors of the Holding Company.

28 GENERAL

28.1 Figures reported in this consolidated condensed interim financial information have been rounded off to the nearest Rupee unless otherwise stated.

28.2 Certain corresponding figures have been reclassified, rearranged or additionally incorporated in this consolidated condensed interim financial information for the purposes of comparison and better presentation. There were no significant reclassifications / restatements to corresponding figures during the period.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

AA+
Long Term

A1+
Short Term



PACRA - March 04, 2020

Answers, Custom Fit.

ORIX Leasing Pakistan Limited

UAN: 111 24 24 24

www.orixpakistan.com

olp@orixpakistan.com

facebook.com/ORIXLeasingPakistanOfficial

linkedin.com/company/orix-leasing-pakistan-limited

ORIX Building, Plot No. 16, Sector No. 24,
Korangi Industrial Area,
Karachi, Pakistan