

ORIX Leasing Pakistan Limited



Third Quarter Report

2019 - 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. Kiyokazu Ishinabe**
Non-Executive Director
- 7. Mr. Ikuo Nakamura**
Non-Executive Director
- 8. Mr. Masato Takata**
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. Kiyokazu Ishinabe**
Member

Human Resource, Nomination & Remuneration Committee

- 1. Mr. Khalid Aziz Mirza**
Chairman
- 2. Mr. Naveed Kamran Baloch**
Member
- 3. Mr. Ikuo Nakamura**
Member

Risk Committee

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

Credit Committee

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

Deputy Chief Executive Officer

Mr. Ramon Alfrey

Chief Financial Officer

Ms. Maryam Aziz

Company Secretary

Mr. Haider Abbas

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 - Marketing
- 2. Mr. Hira Lal Bharvani**
Head - Human Resource
- 3. Mr. M. Ayub Khan**
Head - Special Assets Management
- 4. Mr. Imtiaz Ahmad Chaudhary**
Head - Corporate Division
- 5. Mr. Tahir Ali Shah**
Head - Commercial Vehicle Division
- 6. Mr. Khawar Sultan**
Head - Consumer Auto Division
- 7. Mr. Shafiq Ur Rehman**
Head - Risk Management
- 8. Mr. Jawaid Akhter**
Head - Micro Finance Division
- 9. Mr. Hamood Ahmed**
Head - Business Control
- 10. Mr. Muhammad Ikram**
Head - Information Systems
- 11. Lt. (Col) Saad Saeed Ahmed**
Head - Administration

Auditors

A.F Ferguson & Co.,
Chartered Accountants
State Life Building No. 1-C, I.I. Chundarigar Road
P.O. Box 4716, Karachi – 74000, Pakistan

Shariah Advisor
Al Hamd Shariah Advisory Services (Private)
Limited

Legal Advisors

M/s Mansoor Ahmad Khan & Co.
M/s Mohsin Tayabaly & Co.

Registrar and Share Transfer Office

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

Banks and Lending Institutions

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
Karandaaz Pakistan
MCB Bank Limited

Meezan Bank Limited
National Bank of Pakistan
PAIR Investment Company Limited
Pak Oman Investment Company Ltd.
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Ltd.
The Bank of Khyber
United Bank Limited

Registered Office

Islamic Chamber of Commerce Building, Ground
Floor, ST/2 Block 9, KDA Scheme No. 5, Clifton,
Karachi – 75600

Head Office

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

**Directors' Review Report
For the nine month period ended March 31, 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 nine months ended March 31, 2020.

Pakistan is facing tough economic challenges due to the spread of the Coronavirus pandemic. The consequent lockdown is severely affecting all major sectors including exports and small and medium businesses. To ease stressed cash flows and improve liquidity for businesses, The State Bank of Pakistan has reduced the policy rate by 4.25% to 9% and allowed financial institutions to defer repayments from borrowers. The Securities and Exchange Commission of Pakistan has also introduced similar regulations for Non-Bank Finance Companies. A new loan facility of USD 1.4 billion from IMF and deferment of loan repayments by IMF, World Bank and G20 Countries should help the Country to weather the current crisis.

Financial Highlights and Business Review

| | Nine months period ended | |
|--|--------------------------|---------------|
| | March 2020 | March 2019 |
| | -----Rupees----- | |
| Profit before taxation | 968,086,745 | 1,086,331,678 |
| Taxation | 284,720,484 | 321,956,453 |
| Net profit for the period after taxation | 683,366,261 | 764,375,225 |
| Earnings per share – basic and diluted | 4.09 | 4.58 |
| Issued, subscribed and paid-up capital (shares of Rs. 10 each) | 1,670,549,020 | 1,670,549,020 |

Profit from operations before provision and taxation was 10% higher at Rs. 1,017 million (March 2019: Rs. 923 million). However, Profit Before Tax of Rs. 968 million was 11% lower than Rs. 1,086 million earned in the corresponding period last year. The reduction was primarily due to a Rs. 163 million reversal in provisioning in the prior period due to adoption of a statistical based provisioning methodology. Another contributing factor was provisioning of Rs. 49 million in the current period due to rising overdue accounts. Profit after tax, at Rs. 683 million (March 2019: Rs. 764 million) was also lower by 11%.

Disbursements were curtailed and amounted to Rs. 8,743 million for the period, 15% lower as compared to Rs. 10,285 million disbursed in the corresponding period of FY2019. Commencement of the lockdown in March 2020 also contributed to lower disbursements.

Total revenue increased by 14% to Rs. 3,479 million (March 2019: Rs. 3,061 million) despite the decrease in lease and loan portfolio from Rs. 22.6 billion in June 2019 to Rs. 20.9 billion as on March 31, 2020. This was mainly the result of a sharp rise in interest rates throughout most of the reporting period.

Higher interest rates in the Country were also reflected in finance cost of Rs. 1,437 million (March 2019: Rs. 1,113 million) being 29% higher than last year.

Administrative and general expenses at Rs. 899 million were controlled and, despite inflationary pressure, were just 1% higher than Rs. 887 million incurred in the corresponding period of FY2019.

Overdue accounts have risen in last few months and the pandemic is likely to impact default rate further. On a conservative basis, provision for bad debts of Rs. 49 million was recorded during the first nine months of FY2020. In the same period last year, a reversal of Rs. 163 million was made due to adoption of a statistical based provisioning methodology.

Conditions remain fluid and while it is still early to predict the eventual economic impact of the pandemic, the Company is conducting an extensive impact / mitigation assessment of its portfolio to determine the possible repercussions on provisioning and future cash flows. The full implications of the lockdown and its impact on the Company's profits for the current financial year would be more visible over the next few months. It remains to be seen whether Government measures would prove sufficient for bringing businesses back on track. OLP is also making full efforts to ensure the health and safety of its employees by adopting prudent measures for keeping the business running.

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 nine month period ended March 31, 2020.

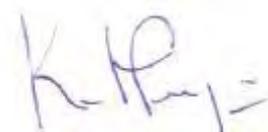
Financial Highlights of the Group's Performance are as follows:

| | Nine months period ended | |
|---|--------------------------|---------------|
| | March 2020 | March 2019 |
| | -----Rupees----- | |
| Profit before taxation | 1,022,063,227 | 1,125,326,116 |
| Taxation | 284,720,484 | 323,841,136 |
| Net profit for the period after taxation | 737,342,743 | 801,484,980 |
| Profit attributable to Equity shareholders of the Holding Company | 674,967,480 | 751,634,802 |
| Profit attributable to non-controlling interest | 62,375,263 | 49,850,178 |
| Earnings per share – basic and diluted | 4.04 | 4.50 |

On behalf of the Board:



Shaheen Amin
Chief Executive Officer
April 30, 2020



Khalid Aziz Mirza
Chairman

ORIX Leasing Pakistan Limited
Unconsolidated Condensed Interim Statement of Financial Position
As at March 31, 2020

| | | (Un-audited) March 31, 2020 | (Audited) June 30, 2019 |
|--|------|-----------------------------------|-------------------------------|
| | Note | (Rupees) | |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | 5 | 1,204,567,282 | 1,190,789,544 |
| Intangible assets | 6 | 13,532,157 | 18,349,641 |
| Net investment in finance lease | 7 | 15,895,699,336 | 17,955,603,086 |
| Current maturity | | (7,949,960,804) | (9,151,970,240) |
| Allowance for potential lease losses | | (696,660,280) | (669,018,735) |
| | | (8,646,621,084) | (9,820,988,975) |
| | | 7,249,078,252 | 8,134,614,111 |
| Investment in subsidiaries | | 322,374,294 | 322,374,294 |
| Investment in associate | | 982,160,375 | 942,321,227 |
| Long-term investments | 8 | 489,831,299 | 396,353,520 |
| Long-term finances and loans | | 2,565,635,240 | 2,207,532,344 |
| Long-term deposits | | 12,907,566 | 12,390,066 |
| | | 12,840,086,465 | 13,224,724,747 |
| Current assets | | | |
| Advances and prepayments | | 26,248,605 | 40,410,228 |
| Short-term finances | | 266,392,301 | 285,006,782 |
| Accrued return on investments and term finance | | 113,840,665 | 102,798,425 |
| Current maturity of non-current assets | 9 | 10,109,290,663 | 11,433,548,335 |
| Other receivables | | 38,970,050 | 32,887,347 |
| Short-term investments | 10 | 222,505,920 | 394,438,716 |
| Defined benefit plan asset | | 8,808,244 | 8,808,244 |
| Cash and bank balances | | 150,991,928 | 174,313,423 |
| | | 10,937,048,376 | 12,472,211,500 |
| Assets classified as held for sale | 11 | 273,840,509 | 293,867,662 |
| | | 24,050,975,350 | 25,990,803,909 |
| Total assets | | | |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Authorised share capital | | 3,500,000,000 | 3,500,000,000 |
| 350,000,000 (June 30, 2019: 350,000,000) ordinary shares of Rs.10 each | | 3,500,000,000 | 3,500,000,000 |
| Issued, subscribed and paid-up capital | 12 | 1,670,549,020 | 1,670,549,020 |
| Reserves | | 5,967,543,142 | 6,342,539,724 |
| | | 7,638,092,162 | 8,013,088,744 |
| Non-current liabilities | | | |
| Long-term finances | 13 | 4,922,860,901 | 6,310,419,269 |
| Long-term certificates of deposit | | 2,685,085,984 | 2,819,697,418 |
| Deferred taxation | | 612,833,336 | 699,540,763 |
| Other long-term liabilities | | 286,703,826 | 164,902,777 |
| | | 8,507,484,047 | 9,994,560,227 |
| Current liabilities | | | |
| Trade and other payables | | 505,677,341 | 909,317,038 |
| Accrued interest / mark-up / profit on loans, finances and certificates of deposit | | 305,037,236 | 323,580,085 |
| Unpaid dividend | | 334,109,804 | - |
| Unclaimed dividend | | 25,182,231 | 22,561,209 |
| Short-term borrowings | 14 | 1,248,003,053 | 1,332,642,374 |
| Short-term certificates of deposit | | 780,614,303 | 695,436,338 |
| Taxation - net | | 382,989,875 | 211,827,766 |
| Current maturity of non-current liabilities | 15 | 4,323,785,298 | 4,487,790,128 |
| | | 7,905,399,141 | 7,983,154,938 |
| | | 24,050,975,350 | 25,990,803,909 |
| Total equity and liabilities | | | |
| Contingencies and commitments | | | |
| | 16 | | |

The annexed notes 1 to 27 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

ORIX Leasing Pakistan Limited
Unconsolidated Condensed Interim Statement of Profit or Loss (UN-AUDITED)
For the nine months period and quarter ended March 31, 2020

| | Note | Nine months period ended | | Quarter ended | |
|--|------|--------------------------|----------------------|----------------------|----------------------|
| | | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| INCOME | | | | | |
| Income from operations | | | | | |
| Finance leases | | 2,322,018,352 | 2,080,587,436 | 736,741,280 | 740,807,398 |
| Operating leases | | 150,758,274 | 175,351,631 | 51,924,194 | 59,865,094 |
| Mark-up on term finance | | 721,602,160 | 572,353,920 | 247,267,010 | 198,507,206 |
| | | <u>3,194,378,786</u> | <u>2,828,292,987</u> | <u>1,035,932,484</u> | <u>999,179,698</u> |
| Income from other activities | | | | | |
| Other income - net | 17 | 257,408,138 | 195,386,709 | 98,534,778 | 57,432,333 |
| Share of profit of associate under equity accounting | 18 | 27,182,228 | 37,808,557 | 7,133,530 | 10,397,791 |
| | | <u>284,590,366</u> | <u>233,195,266</u> | <u>105,668,308</u> | <u>67,830,124</u> |
| | | <u>3,478,969,152</u> | <u>3,061,488,253</u> | <u>1,141,600,792</u> | <u>1,067,009,822</u> |
| EXPENSES | | | | | |
| Finance cost | 19 | 1,436,997,192 | 1,112,734,010 | 469,890,194 | 402,011,152 |
| Administrative and general expenses | | 899,254,479 | 887,133,916 | 305,362,431 | 298,841,182 |
| Direct cost | | 125,868,185 | 138,737,109 | 42,898,489 | 45,757,551 |
| | | <u>2,462,119,856</u> | <u>2,138,605,035</u> | <u>818,151,114</u> | <u>746,609,885</u> |
| Profit before provision and taxation | | <u>1,016,849,296</u> | <u>922,883,218</u> | <u>323,449,678</u> | <u>320,399,937</u> |
| Provision / (reversal of provision) for potential leases and other loan losses - net | | 60,816,539 | (173,885,878) | 47,308,396 | (48,759,840) |
| Other (reversal of provision) / provision - net | | (12,053,988) | 10,437,418 | (103,723) | 2,592,078 |
| | | <u>48,762,551</u> | <u>(163,448,460)</u> | <u>47,204,673</u> | <u>(46,167,762)</u> |
| Profit before taxation | | <u>968,086,745</u> | <u>1,086,331,678</u> | <u>276,245,005</u> | <u>366,567,699</u> |
| Taxation - Current | | 344,644,375 | 181,377,243 | 63,372,660 | 65,355,304 |
| - Prior | | (663,811) | - | - | - |
| - Deferred | | (59,260,080) | 140,579,210 | 32,514,189 | 44,216,149 |
| | | <u>284,720,484</u> | <u>321,956,453</u> | <u>95,886,849</u> | <u>109,571,453</u> |
| Net profit for the period after taxation | | <u>683,366,261</u> | <u>764,375,225</u> | <u>180,358,156</u> | <u>256,996,246</u> |
| Earnings per share - basic and diluted | 25 | <u>4.09</u> | <u>4.58</u> | <u>1.08</u> | <u>1.54</u> |

The annexed notes 1 to 27 form an integral part of these unconsolidated condensed interim financial statements.



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 nine months period and quarter ended March 31, 2020

| | Nine months period ended | | Quarter ended | |
|--|--------------------------|--------------------|--------------------|--------------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| | ----- (Rupees) ----- | | | |
| Profit for the period after taxation | 683,366,261 | 764,375,225 | 180,358,156 | 256,996,246 |
| Other comprehensive income | | | | |
| <i>Items that will be reclassified to statement of profit or loss</i> | | | | |
| Exchange gain arising on translation of foreign associates - net of deferred tax | 9,977,321 | 82,564,328 | 51,515,311 | 8,668,266 |
| <i>Items that will not be subsequently reclassified to statement of profit or loss</i> | | | | |
| Fair value changes on remeasurement of financial assets - net of deferred tax | (107,680,824) | (32,293,130) | (37,325,469) | (32,264,419) |
| Share of other comprehensive income of associate under equity accounting | (93,653) | (990,809) | (427,220) | - |
| | (107,774,477) | (33,283,939) | (37,752,689) | (32,264,419) |
| Total comprehensive income for the period | 585,569,105 | 813,655,614 | 194,120,778 | 233,400,093 |

The annexed notes 1 to 27 form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

ORIX Leasing Pakistan Limited
Unconsolidated Condensed Interim Statement of Changes in Equity
For the nine months period ended March 31, 2020

| Issued, subscribed and paid-up capital | Reserves | | | | | | Total Reserves | Total shareholders equity | |
|---|----------------------|----------------------|--------------------------------------|--------------------|--|--|----------------------|---------------------------|-----------------------|
| | Capital Reserves | | | | 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 |
| | Share premium | Statutory reserve | Foreign currency translation reserve | | | | | | |
| (Rupees) | | | | | | | | | |
| Balance as at July 1, 2018 (audited) | 1,392,124,190 | 1,863,635,353 | 1,255,031,986 | 49,848,144 | 866,439 | 309,725,825 | 2,377,647,652 | 5,856,755,399 | 7,248,879,589 |
| Impact of change in accounting policy - net of tax | - | - | - | - | (39,060,357) | - | 39,060,357 | - | - |
| Impact of change in associate's accounting policy - net of tax | - | - | - | - | - | - | (3,268,836) | (3,268,836) | (3,268,836) |
| Total comprehensive income for the nine months period ended March 31, 2019 | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | 764,375,225 | 764,375,225 | 764,375,225 |
| Other comprehensive income / (loss) | - | - | - | 82,564,328 | (32,293,130) | - | (990,809) | 49,280,389 | 49,280,389 |
| Total comprehensive income for the period | - | - | - | 82,564,328 | (32,293,130) | - | 763,384,416 | 813,655,614 | 813,655,614 |
| Transaction with owner recorded directly in equity | | | | | | | | | |
| Bonus shares issued from share premium reserve | 278,424,830 | (278,424,830) | - | - | - | - | - | (278,424,830) | - |
| Cash dividend @ Rs.3.00 per ordinary share of Rs. 10.00 each for the year ended June 30, 2019 | - | - | - | - | - | - | (417,637,257) | (417,637,257) | (417,637,257) |
| Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax | - | - | - | - | - | (5,121,540) | 5,121,540 | - | - |
| Balance as at March 31, 2019 (un-audited) | 1,670,549,020 | 1,585,210,523 | 1,255,031,986 | 132,412,472 | (70,487,048) | 304,604,285 | 2,764,307,872 | 5,971,080,090 | 7,641,629,110 |
| Balance as at July 1, 2019 (audited) | 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 |
| Total comprehensive income for the nine months period ended March 31, 2020 | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | 683,366,261 | 683,366,261 | 683,366,261 |
| Other comprehensive income / (loss) | - | - | - | 9,977,321 | (107,680,824) | - | (93,653) | (97,797,156) | (97,797,156) |
| Total comprehensive income for the period | - | - | - | 9,977,321 | (107,680,824) | - | 683,272,608 | 585,569,105 | 585,569,105 |
| Transaction with owner recorded directly in equity | | | | | | | | | |
| Cash dividend @ Rs.3.75 per ordinary share of Rs. 10.00 each for the year ended June 30, 2020 | - | - | - | - | - | - | (626,455,883) | (626,455,883) | (626,455,883) |
| Interim cash dividend @ Rs.2 per ordinary share of Rs. 10.00 each for the year ended June 30, 2020 | - | - | - | - | - | - | (334,109,804) | (334,109,804) | (334,109,804) |
| Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax | - | - | - | - | - | (5,121,540) | 5,121,540 | - | - |
| Balance as at March 31, 2020 (un-audited) | 1,670,549,020 | 1,585,210,523 | 1,459,535,379 | 249,565,597 | (177,863,083) | 297,775,565 | 2,553,319,161 | 5,967,543,142 | 7,638,092,162 |

The annexed notes 1 to 27 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

ORIX Leasing Pakistan Limited
Unconsolidated Condensed Interim Statement of Cash Flows (Un-Audited)
For the nine months period ended March 31, 2020

| | Nine months period ended | |
|--|--------------------------|------------------------|
| | March 31, 2020 | March 31, 2019 |
| Note | (Rupees) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation for the period | 968,086,745 | 1,086,331,678 |
| Adjustments for: | | |
| Depreciation and amortisation | 176,189,688 | 172,145,502 |
| Amortisation of transaction cost | 2,719,406 | 6,741,548 |
| Provision / (reversal of provision) for potential lease and other loan losses - net | 60,816,539 | (173,885,878) |
| Other (reversal of provision) / provision - net | (12,053,988) | 10,437,418 |
| Charge for defined benefit plan | 15,840,349 | 15,431,706 |
| Share of profit of associate under equity accounting | (27,182,228) | (37,808,557) |
| Fair value changes on remeasurement of financial assets at fair value through profit or loss | (2,273,844) | 12,828 |
| Finance cost | 1,434,277,786 | 1,105,992,462 |
| Dividend income | (12,021,063) | 11,767,871 |
| Return on investments and deposit | (62,859,144) | (48,075,445) |
| Loss / (gain) on disposal of fixed assets | 171,848 | (1,132,016) |
| | <u>1,573,625,349</u> | <u>1,061,627,439</u> |
| Operating cash flows before working capital changes | 2,541,712,094 | 2,147,959,117 |
| Decrease / (increase) in operating assets | | |
| Investment in finance lease - net | 2,062,398,238 | 602,696,858 |
| Long-term finances and loans - net | (309,283,418) | (42,162,085) |
| Short-term finances | 914,912 | (52,490,853) |
| Long-term deposits | (517,500) | (251,406) |
| Advances and prepayments | 8,424,099 | 2,601,646 |
| Other receivables | 6,212,919 | (30,281,033) |
| | <u>1,768,149,250</u> | <u>480,113,127</u> |
| Increase / (decrease) in operating liabilities | | |
| Other long term liabilities - net | (301,919,518) | (364,593,765) |
| Trade and other payables | (402,654,152) | 228,905,054 |
| | <u>(704,573,670)</u> | <u>(135,688,711)</u> |
| Cash generated from operating activities | 3,605,287,674 | 2,492,383,533 |
| Payment against staff retirement benefits | (14,406,534) | (35,401,390) |
| Sindh Workers' Welfare Fund paid | (985,545) | - |
| Income tax paid | (172,818,455) | (177,178,595) |
| | <u>(188,210,534)</u> | <u>(212,579,985)</u> |
| Net cash generated from operating activities | 3,417,077,140 | 2,279,803,548 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital expenditure incurred - own use and intangible assets | (40,517,789) | (72,558,425) |
| Capital expenditure incurred - Ijarah | (9,450,000) | - |
| Proceeds from disposal of assets - own use | 4,173,251 | 7,877,495 |
| Proceeds from sale of Ijarah finance assets | - | 5,269,008 |
| Investments - net | 31,255,419 | 191,117,573 |
| Dividend received | 12,021,063 | (11,767,871) |
| Interest received | 34,878,978 | 36,971,899 |
| Net cash generated from investing activities | 32,360,922 | 156,909,679 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from long term finance | 1,500,000,000 | 4,000,000,000 |
| Short-term borrowings - net | (250,000,000) | (645,000,000) |
| Certificates of deposit redeemed / issued - net | (107,780,254) | (1,024,050,391) |
| Repayment of long term loans and finances | (3,023,305,785) | (3,041,282,849) |
| Finance cost paid | (1,112,628,977) | (749,448,461) |
| Payment of lease liability against right-of-use assets | (20,570,357) | - |
| Dividend paid | (623,834,863) | (623,322,488) |
| Net cash used in financing activities | (3,638,120,236) | (2,083,104,189) |
| Net increase in cash and cash equivalents | (188,682,174) | 353,609,038 |
| Cash and cash equivalents at beginning of the period | (908,328,951) | (1,210,543,238) |
| Cash and cash equivalents at end of the period | (1,097,011,125) | (856,934,200) |

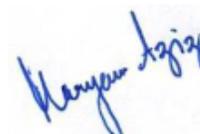
The annexed notes 1 to 27 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

ORIX Leasing Pakistan Limited
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
For the nine months period ended March 31, 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 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. The registered office of the Company is situated at Islamic Chamber of Commerce Building, Clifton, Karachi. The Company 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 Pakistan Credit Rating Agency Limited (PACRA) has assigned a long-term rating of AA+ and a short-term rating of A1+ to the Company on March 04, 2020.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard 34 " Interim Financial Reporting" issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017, the requirements of Companies Act, 2017, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. In case the requirements differ, the provisions of and directives issued under the NBFC Rules, the NBFC Regulations, the Companies Act, 2017 and the directives issued by the SECP prevail.

2.2 Basis of measurement

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

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

2.3 These unconsolidated condensed interim financial statements do not include all the statements 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, 2019.

2.4 The comparative statement of financial position presented in these unconsolidated condensed interim financial statements has been extracted from the annual published unconsolidated audited financial statements of the Company for the year ended June 30, 2019, whereas the comparative statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow are stated from the unconsolidated unaudited condensed interim financial statements for the period ended March 31, 2019.

2.5 These unconsolidated condensed interim financial statements have 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 these unconsolidated condensed interim financial statements 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, 2019 except for the following:

3.1.1 Adoption of IFRS 16 - Leases

During the period, IFRS 16 - "Leases" became applicable to the Company. IFRS 16 replaces existing guidance on accounting for leases, including IAS 17 "Leases", IFRIC 4 - "Determining whether an Arrangement contains a Lease", SIC-15 - "Operating Leases - Incentive", and SIC-27 - "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". IFRS 16 introduces an on-balance sheet lease accounting model for leases by the lessee. The lessee recognises a right-of-use asset representing its right of using the underlying asset and a corresponding lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as either finance or operating lease.

The Company has adopted IFRS 16 from July 1, 2019 using the modified retrospective restatement approach and has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard.

On adoption of IFRS 16, the Company has recognised liabilities in respect of leases which were previously classified as operating leases in respect of rented premises under IAS 17. These liabilities are initially measured as the present value of the remaining lease payments, discounted using the Company's incremental weighted average borrowing rate applicable as of July 1, 2019. The lease liabilities are subsequently measured at amortised cost using the effective interest rate method. Lease liabilities against right-of-use assets as at July 1, 2019 and March 31, 2020 are as follows:

| | March 31, 2020 | July 1, 2019 |
|---|----------------------|--------------------|
| | ----- (Rupees) ----- | |
| Lease liability against right-of-use assets | <u>127,169,031</u> | <u>126,411,006</u> |

On adoption of IFRS 16, the associated right-of-use assets of rented premises were measured at the amount equal to the lease liability, adjusted by the amount of prepaid lease payments recognised in the unconsolidated condensed interim statement of financial position immediately before the date of initial application.

The right-of-use asset recognised subsequent to the adoption is measured based on the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred. The right-of-use asset is depreciated on a straight line basis over the lease term and reduced by impairment losses, if any, and adjusted for certain remeasurements of lease liability.

| | March 31, 2020 | July 1, 2019 |
|--|----------------------|--------------------|
| | ----- (Rupees) ----- | |
| The recognised right-of-use asset relate to the following type of asset: | | |
| Rented premises | <u>122,032,142</u> | <u>132,115,778</u> |

The effect of this change in accounting policy is as follows:

Impact on Unconsolidated Condensed Interim Statement of Financial Position

| | | |
|--|--------------------|--------------------|
| Increase in fixed assets - right-of-use assets | 122,032,142 | 132,115,778 |
| Decrease in advances and prepayments | (4,245,412) | (5,704,772) |
| Increase in taxation - net | 2,720,867 | - |
| | <u>120,507,597</u> | <u>126,411,006</u> |
| Increase in lease liability against right-of-use asset | <u>127,169,031</u> | <u>126,411,006</u> |
| Decrease in net assets | <u>(6,661,433)</u> | <u>-</u> |

Impact on Unconsolidated Condensed Interim Statement of Profit or Loss

| | March 31, 2020 (Rupees) |
|--|-------------------------------|
| Increase in mark-up-expense - lease liability against right-of-use asset | (12,308,315) |
| Increase in depreciation on right-of-use asset | (17,644,342) |
| Decrease in rent expense | <u>20,570,357</u> |
| Decrease in profit before taxation | (9,382,300) |
| Decrease in taxation - net | <u>2,720,867</u> |
| Decrease in profit after taxation | <u>(6,661,433)</u> |

Earnings per share for the nine months ended March 31, 2020 decreased by Rs. 0.004 per share as a result of the adoption of IFRS 16.

The Company has used a single discount rate methodology for a portfolio of leases with similar characteristics. The Company has opted not to recognise right-of-use asset for low value leases. The payments associated with such leases are recognised as an expense on a straight line basis over the lease term.

- 3.2 The preparation of these unconsolidated condensed interim financial statements in conformity with accounting and reporting 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 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, 2019.
- 3.4 Certain new amendments to accounting and reporting standards have been published and are mandatory for the Company's accounting period beginning on or after July 1, 2019 but are considered not to be relevant or to have any significant effect on these unconsolidated condensed interim financial statements other than those disclosed in note 3.1.1 above.

3.5 Standards, interpretations and amendments to accounting and reporting standards that are not yet effective

The following revised standards, amendments and interpretations of accounting and reporting standards would be effective from the dates mentioned below against the respective standard or interpretation:

| Standard, Interpretation or Amendment | Effective date (annual periods beginning on or after) |
|--|--|
| - IAS 1 - "Presentation of Financial Statements" and IAS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors" | January 1, 2020 |
| - IFRS 3 - "Business Combinations" | January 1, 2020 |

The Company expects that the adoption of above amendments and interpretations will not affect its financial statements in the period of initial application except certain additional disclosures. The Company is currently in the process of analysing the potential impact of adoption of the above standards.

4 RISK MANAGEMENT POLICIES

The Company's risk management policies are the same as disclosed in the financial statements for the year ended June 30, 2019 except for the following additional considerations due to the COVID-19.

COVID-19, and the measures taken to reduce its spread, has impacted the Pakistan economy significantly. The financial sector is likely to face an increase in overall credit and default risk pertaining to exposures to certain sectors, reduced income due to slowdown in business and economic activity and operational issues such as managing cyber security threat. Regulators and governments across the globe have introduced fiscal and economic stimulus measures to mitigate its impact.

The State Bank of Pakistan (SBP) has responded to the crisis by cutting the policy rate by 425 basis points to 9 percent during the months of March and April 2020 and by introducing regulatory measures to maintain banking system soundness and to sustain economic activity. These include allowing financial institutions to defer clients' payment of principal on loan obligations by one year and relaxing regulatory criteria for restructured/rescheduled loans for borrowers who require relief beyond the extension of principal repayment for one year. Securities and Exchange Commission of Pakistan (SECP) has issued similar measures for the NBFC sector.

The Company is conducting extensive assessments to identify customers operating in sectors which are most likely to get affected and has further strengthened its credit review procedures. Based on the impact assessment on the portfolio as at March 31, 2020, the Company has downgraded customers at heightened risk levels on a subjective basis and is expecting to receive applications for deferral of principal and markup from more customers. The liquidity position, future cash flows and availability of credit lines are being continuously monitored and due precautionary measures are being taken where needed. The Company is closely monitoring the situation and has invoked required actions to ensure safety and security of staff and an uninterrupted service to customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

| | Note | (Un-audited) March 31, 2020 | (Audited) June 30, 2019 |
|----------------------|---------------------|-----------------------------------|-------------------------------|
| ----- (Rupees) ----- | | | |
| 5 | FIXED ASSETS | | |
| Own use | | 580,073,437 | 585,090,492 |
| Operating lease | | 136,898,690 | 144,475,394 |
| Ijarah finance | | 365,563,013 | 461,223,658 |
| Right-of-use assets | 5.1 | 122,032,142 | - |
| | | <u>1,204,567,282</u> | <u>1,190,789,544</u> |

5.1 This represents right-of-use assets capitalised due to adoption of IFRS 16 as disclosed in note 3.1.1.

5.2 The following is a statement of cost of additions and disposals to / from fixed assets for the nine months period ended March 31, 2020:

| | Own use | | Right-of-use assets | | Asset under Ijarah financing | |
|--|-------------------------|-------------------------|---------------------|----------------------------|------------------------------|-------------------|
| | Additions / Transfer | Disposals / Transfer | Additions | Disposals / adjustments | Additions | Disposals |
| | ----- (Rupees) ----- | | | | | |
| Generators / Machinery | 15,924,021 | - | - | - | - | 4,000,000 |
| Right-of-use assets | - | - | 22,423,812 | 14,863,105 | - | - |
| Leasehold improvements | 64,590,109 | 2,299,365 | - | - | - | - |
| Furniture, fittings and office equipment | 5,154,994 | 1,121,000 | - | - | - | - |
| Computers and accessories | 8,465,400 | 35,000 | - | - | - | - |
| Vehicles | 3,346,785 | 7,361,000 | - | - | 9,450,000 | 29,058,500 |
| Capital work in progress (CWIP) | 16,155,133 | 76,625,231 | - | - | - | - |
| March 31, 2020 | 113,636,442 | 87,441,596 | 22,423,812 | 14,863,105 | 9,450,000 | 33,058,500 |
| March 31, 2019 | 67,910,091 | 23,187,075 | - | - | - | 86,551,402 |

| | Note | (Un-audited) March 31, 2020 | (Audited) June 30, 2019 |
|-------------------------------|--------------------------|-----------------------------------|-------------------------------|
| ----- (Rupees) ----- | | | |
| 6 | INTANGIBLE ASSETS | | |
| Computer software and license | 6.1 | <u>13,532,157</u> | <u>18,349,641</u> |

6.1 Additions / transfers amounting to Rs. 3,160,689 (March 2019: Rs. 4,648,334) were made to intangible assets during the nine months period ended March 31, 2020.

| | Note | (Un-audited) March 31, 2020 | (Audited) June 30, 2019 |
|-----------------------------------|--|-----------------------------------|-------------------------------|
| ----- (Rupees) ----- | | | |
| 7 | NET INVESTMENT IN FINANCE LEASE | | |
| Instalment contract receivables | | 19,755,335,710 | 22,287,465,719 |
| Residual value | | 8,076,152,999 | 8,457,924,284 |
| Less: adjustable security deposit | | 8,051,279,446 | 8,427,394,395 |
| | | 19,780,209,263 | 22,317,995,608 |
| Less: unearned finance income | | 3,884,509,927 | 4,362,392,522 |
| | | <u>15,895,699,336</u> | <u>17,955,603,086</u> |

8 LONG-TERM INVESTMENTS

Amortised cost

Pakistan Investment Bonds (PIBs) 440,598,620 268,623,384

At fair value through other comprehensive income

| | | | |
|--------------------------------|-----|--------------------|--------------------|
| AI Hail ORIX Finance PSC | | 279,097,858 | 279,097,858 |
| Less: Deficit on remeasurement | 8.1 | (229,865,179) | (90,919,910) |
| | | 49,232,679 | 188,177,948 |
| Less: current maturity | | - | 60,447,812 |
| | | <u>489,831,299</u> | <u>396,353,520</u> |

8.1 During the period, the Company reassessed the fair value of its investment in AI Hail ORIX Finance PSC and recorded Rs. 138.945 million as decrease in its fair value.

| | Note | (Un-audited) March 31, 2020 | (Audited) June 30, 2019 |
|----------------------|--|-----------------------------------|-------------------------------|
| ----- (Rupees) ----- | | | |
| 14 | SHORT-TERM BORROWINGS - Secured | | |
| | From Banking Companies | | |
| | Running finance arrangements | 1,248,003,053 | 1,082,642,374 |
| | Short-term loans | - | 250,000,000 |
| | | <u>1,248,003,053</u> | <u>1,332,642,374</u> |

15 CURRENT MATURITY OF NON-CURRENT LIABILITIES

Current maturity of:

| | | | |
|---|----|----------------------|----------------------|
| Long-term finances | 13 | 3,619,444,443 | 3,743,452,384 |
| Lease liability against right-of-use assets | | 18,349,896 | - |
| Long-term certificates of deposit | | 685,990,959 | 744,337,744 |
| | | <u>4,323,785,298</u> | <u>4,487,790,128</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 audited financial statements for the year ended June 30, 2019 except for the following:

16.1.1 During the period, the Additional Commissioner Inland Revenue (ACIR) passed amended assessment orders on September 23, 2019 under section 122(5A) of the Ordinance for the years 2015 and 2016 and created demands of Rs. 84 million and Rs. 862 million respectively. This was mainly the result of disallowance of tax loss on lease terminations and certain other matters. The Company preferred an appeal against these amended assessment orders before the Commissioner Inland Revenue (Appeals) (CIR-A). On January 8, 2020 CIR-A disposed off the appeal with major relief to the Company. The Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) on the issues decided against the Company by the CIR-A which is pending for adjudication.

Based on the merits of the case and the tax advisor's opinion, management considers that decision will be made in the Company's favour, hence no provision has been recorded in these unconsolidated condensed interim financial statements in this regard.

16.1.2 The ACIR passed amended assessment orders on February 21, 2019 under section 122(5A) of the Ordinance for the tax years 2017 and 2018 and created demands of Rs. 911.5 million and Rs. 1,371.4 million respectively. This was mainly the result of disallowance of tax loss on lease terminations, levy of super tax and certain other matters. On October 3, 2019, the ACIR rectified the amended assessment order (rectification order) under section 221(1) of the Ordinance for the tax year 2017 and created additional demand of Rs. 290 million due to disallowance of brought forward tax losses claimed in the tax year 2017 as a result of amendment made in tax year 2016. The Company preferred separate appeals against the amended assessment orders before the CIR-A. On January 8, 2020 CIR-A disposed of the appeal with major relief to the Company. The Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) on the issues decided against the Company by the CIR-A which is pending for adjudication.

Based on the merits of the case and the tax advisor's opinion, management considers that decision will be made in Company's favour, hence no provision has been recorded in these unconsolidated condensed interim financial statements in this regard.

16.1.3 On September 26, 2019, the Federal Board of Revenue (FBR) issued a show cause notice to the Company challenging the estimates of advance tax under section 147 of the Ordinance filed by the Company for the quarter ended September 30, 2019 and additionally demanded Rs. 117.2 million. The Company's legal and tax advisors are of the opinion that the estimate filed by the Company is in accordance with the law and accordingly the Company filed a constitutional petition before the Sindh High Court (SHC) against the recovery of impugned advance tax demand. The SHC has passed a stay order restricting FBR from taking any coercive measures against the Company.

16.2 Leases committed but not executed at the reporting date amounted to Rs. 30.35 million (June 30, 2019: Rs. 82.07 million).

16.3 Commitments relating to capital expenditure at the reporting date amounted to Rs. 8.69 million (June 30, 2019: Rs. 15.75 million).

| | | (Un-audited) | |
|-----------|---------------------------|--------------------------|--------------------|
| | | Nine months period ended | |
| | | March 31, 2020 | March 31, 2019 |
| | | (Rupees) | |
| 17 | OTHER INCOME - NET | | |
| | Income from investments | 77,154,051 | 59,831,100 |
| | Other fees and income | 180,254,087 | 135,555,609 |
| | | <u>257,408,138</u> | <u>195,386,709</u> |

18 SHARE OF PROFIT OF ASSOCIATE UNDER EQUITY ACCOUNTING

| (Un-audited) | | | | |
|----------------------------|--|---|--|---|
| Name of associate | Nine months period ended March 31, 2020 | | Nine months period ended March 31, 2019 | |
| | Associates' profit after tax | Share of associates' profit after tax | Associates' profit after tax | Share of associates' profit after tax |
| (Rupees) | | | | |
| Un-quoted | | | | |
| Saudi ORIX Leasing Company | 1,359,111,465 | 27,182,228 | 1,890,427,848 | 37,808,557 |

| | | (Un-audited) | |
|-----------|---|--------------------------|----------------------|
| | | Nine months period ended | |
| | | March 31, 2020 | March 31, 2019 |
| | | (Rupees) | |
| 19 | FINANCE COST | | |
| | Interest / mark-up / profit on: | | |
| | - Long-term finances | 1,004,101,215 | 687,210,738 |
| | - Short-term borrowings | 79,860,773 | 101,803,659 |
| | - Certificates of deposit | 328,961,469 | 303,731,172 |
| | - Lease liability against right-of-use assets | 12,308,312 | - |
| | Amortisation of transaction cost | 2,719,406 | 6,741,548 |
| | Bank charges | 9,046,017 | 13,246,893 |
| | | <u>1,436,997,192</u> | <u>1,112,734,010</u> |

20 OTHER (REVERSAL OF PROVISION) / PROVISIONS - NET

| | | | |
|---|---------------------|-------------------|--|
| Operating lease, investments and other receivables | | | |
| Reversal of provision against other receivables and investments | (4,556,865) | 314,953 | |
| Provision / (reversal of provision) against ijarah receivable | 1,451,746 | (2,462,164) | |
| | (3,105,119) | (2,147,211) | |
| Others | | | |
| (Reversal of impairment) / impairment on assets classified as 'held for sale' | (8,948,869) | 12,584,629 | |
| | <u>(12,053,988)</u> | <u>10,437,418</u> | |

21 SEGMENT INFORMATION

The Company has three primary reporting segments namely, 'Finance lease', 'Finances and Loans' 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 extended to corporate entities and individuals for purchase of saloon vehicles and includes micro finance which represents group / community based lending to the under-privileged community. Under the operating lease segment, the Company provides equipment on short-term rental to corporate entities. 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'.

| March 31, 2020 | | | | |
|----------------|--------------------|----------------------------|---|-------|
| Finance lease | Finances and loans | Operating lease and Ijarah | Investment in subsidiaries, associates & others | Total |

(Rupees)

Segment analysis for the nine months

period ended March 31, 2020 - (Un-audited)

| | | | | | |
|-------------------------------------|--------------------|--------------------|---------------------|--------------------|--------------------|
| Segment revenues | 2,471,304,476 | 735,426,329 | 150,775,274 | 121,463,073 | 3,478,969,152 |
| Finance cost | 992,651,868 | 275,472,810 | 32,040,269 | 136,832,245 | 1,436,997,192 |
| Administrative and general expenses | 687,466,501 | 181,071,362 | 30,716,616 | - | 899,254,479 |
| Direct cost | 10,655,040 | 676,948 | 114,536,197 | - | 125,868,185 |
| (Reversals) / provision-net | 30,136,031 | 30,680,508 | 1,451,746 | (13,505,734) | 48,762,551 |
| Segment results | 750,395,036 | 247,524,701 | (27,969,554) | (1,863,438) | 968,086,745 |
| Provision for taxation | | | | | (284,720,484) |
| Profit for the period | | | | | 683,366,261 |

Segment assets and liabilities for the

nine months period ended March 31, 2020 (Un-audited)

| | | | | | |
|--------------------------|----------------|---------------|-------------|---------------|-----------------------|
| Segment assets | 15,208,382,130 | 4,858,034,629 | 502,461,703 | 2,287,019,544 | 22,855,898,006 |
| Unallocated assets | | | | | 1,195,077,344 |
| Total assets | | | | | 24,050,975,350 |
| Segment liabilities | 60,677,186 | 4,558,700 | 5,503,330 | - | 70,739,216 |
| Unallocated liabilities | | | | | 16,342,143,972 |
| Total liabilities | | | | | 16,412,883,188 |

Other information

| | | | | | |
|---|---|---|-------------|---|-------------|
| Capital expenditure | - | - | 9,450,000 | - | 9,450,000 |
| Depreciation | - | - | 112,687,346 | - | 112,687,346 |
| Unallocated capital expenditure | - | - | - | - | 62,941,601 |
| Unallocated depreciation and amortisation | - | - | - | - | 63,502,342 |

| March 31, 2019 | | | | |
|----------------|--------------------|-----------------|---|-------|
| Finance lease | Finances and loans | Operating lease | Investment in subsidiaries, associates & others | Total |

(Rupees)

Segment analysis for the nine months

period ended March 31, 2019 - (Un-audited)

| | | | | | |
|-------------------------------------|--------------------|--------------------|---------------------|-------------------|----------------------|
| Segment revenues | 2,169,579,428 | 585,481,561 | 175,694,131 | 130,733,133 | 3,061,488,253 |
| Finance cost | 782,432,370 | 196,284,298 | 30,837,461 | 103,179,881 | 1,112,734,010 |
| Administrative and general expenses | 683,728,253 | 167,339,644 | 36,066,019 | - | 887,133,916 |
| Direct cost | 9,511,770 | 866,327 | 128,359,012 | - | 138,737,109 |
| (Reversals) / provision-net | (160,868,665) | (432,586) | (603,627) | (1,543,582) | (163,448,460) |
| Segment result | 854,775,700 | 221,423,878 | (18,964,734) | 29,096,834 | 1,086,331,678 |
| Provision for taxation | | | | | (321,956,453) |
| Profit for the period | | | | | 764,375,225 |

Segment assets and liabilities for the

year ended June 30, 2019 (Audited)

| | | | | | |
|--------------------------|----------------|---------------|-------------|---------------|-----------------------|
| Segment assets | 17,315,954,578 | 4,614,620,917 | 605,699,049 | 2,392,893,694 | 24,929,168,238 |
| Unallocated assets | | | | | 1,061,635,671 |
| Total assets | | | | | 25,990,803,909 |
| Segment liabilities | 351,496,511 | 81,679,104 | 8,678,469 | - | 441,854,084 |
| Unallocated liabilities | | | | | 17,535,861,081 |
| Total liabilities | | | | | 17,977,715,165 |

Other information

| | | | | | |
|---|---|---|-------------|---|-------------|
| Capital expenditure | - | - | - | - | - |
| Depreciation | - | - | 122,127,826 | - | 122,127,826 |
| Unallocated capital expenditure | - | - | - | - | 72,558,425 |
| Unallocated depreciation and amortisation | - | - | - | - | 50,017,676 |

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) | |
|--|--------------------------|-------------------|
| | Nine months period ended | |
| | March 31, 2020 | March 31, 2019 |
| | ----- (Rupees) ----- | |
| ORIX Corporation, Japan - Parent Company - 49.58% Holding | | |
| Dividend paid - net of tax | 287,280,276 | 383,024,136 |
| Saudi ORIX Leasing Company - Associate / Common directorship - 2.5% ownership | | |
| Reimbursement of cost | 7,504,352 | 2,502,909 |
| ORIX Modaraba - Subsidiary - 20% ownership | | |
| Dividend income | 11,345,883 | 11,345,883 |
| Reimbursement of cost | 372,828 | 379,275 |
| ORIX Leasing Pakistan Limited-Employees Provident Fund (OLP - EPF) | | |
| Contribution paid | 23,301,616 | 22,649,038 |
| ORIX Leasing Pakistan Limited-Staff Gratuity Fund (OLP - SGF) | | |
| Contribution paid | 14,406,534 | 35,401,390 |
| Charity / Donation paid - Common Directorship | | |
| The Layton Rahmatullah Benevolent Trust | 1,000,000 | 1,250,000 |
| The Indus Hospital | 1,000,000 | 500,000 |
| Other related party transactions during the period | | |
| Directors and Key Management Personnel | | |
| Compensation of directors and key management personnel | | |
| Directors' fees paid | 3,000,000 | 3,400,000 |
| Short-term employee benefits | 142,390,129 | 121,664,115 |
| Retirement benefits | 8,528,926 | 8,912,730 |
| Total compensation of directors and key management personnel | 153,919,055 | 133,976,845 |
| Other transactions with Key Management Personnel | | |
| Issuance of certificates of deposit | 700,000 | 400,000 |
| Redemption of certificates of deposit | 200,000 | 1,310,000 |
| Amount of profit on certificates of deposit | 141,797 | 242,991 |
| Staff loans disbursed | 11,486,937 | 4,924,561 |
| Interest recovered on staff loans | 1,506,792 | 1,086,750 |
| Principal recovered on staff loans | 16,885,552 | 8,723,075 |

| | (Un-audited) March 31, 2020 | (Audited) June 30, 2019 |
|---|-----------------------------------|-------------------------------|
| | ----- (Rupees) ----- | |
| 22.2 Balances with related parties as at period / year end | | |
| Investment in subsidiaries | <u>322,374,294</u> | <u>322,374,294</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 (formerly ORIX Leasing Egypt SAE) - 23% ownership | <u>172,043,037</u> | <u>172,043,037</u> |
| Long term investment - Al Hail ORIX Finance PSC - 3% ownership | <u>49,232,679</u> | <u>188,177,948</u> |
| Investment in associates | | |
| - Saudi ORIX Leasing Company | <u>982,160,375</u> | <u>942,321,227</u> |
| Certificates of deposit held | <u>2,600,000</u> | <u>2,100,000</u> |
| Accrued profit on certificates of deposit payable | <u>14,421</u> | <u>9,561</u> |
| Outstanding loans to Key Management Personnel | <u>23,548,368</u> | <u>23,102,538</u> |
| Receivable from Saudi ORIX Leasing Company - Associate | <u>5,092,042</u> | <u>754,396</u> |
| Dividend payable to ORIX Corporation, Japan - Parent Company | <u>165,639,078</u> | <u>-</u> |
| Receivable / (payable to) from ORIX Corporation, Japan - Parent Company | <u>7,140</u> | <u>(92,885)</u> |

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of investments classified as "at fair value through profit or loss" and "at fair value through other comprehensive income" are based on active market. The investment in associates is accounted for using the equity method while the subsidiaries have been kept at cost. The value of unquoted equity investments is reduced, if required, on the basis of break-up value of those investments based on the latest available audited financial statements.

Fair value of net investments in finance lease, long term loans and finances, long term deposits and other assets, other liabilities, long term certificates of deposit and other accounts are approximate to their carrying value. The provision for impairment of finance lease and long term loans and finances has been calculated in accordance with the Company's accounting policy and the requirements of the NBFC Regulations.

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.

The Company has classified assets using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using 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).
- Level 3: Fair value measurements using input 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:

| March 31, 2020 (Un-audited) | | | |
|-----------------------------|---------|---------|-------|
| Fair value | | | |
| Level 1 | Level 2 | Level 3 | Total |

(Rupees)

RECURRING FAIR VALUE MEASUREMENTS

Financial assets

Financial assets at fair value through other comprehensive income

| | | | | |
|----------------------------|---|---|------------|------------|
| AI Hail ORIX Finance PSC | - | - | 49,232,679 | 49,232,679 |
| Ordinary shares - unlisted | - | - | 14,980,672 | 14,980,672 |

Financial assets at fair value through profit or loss

| | | | | |
|----------------|---|-------------|---|-------------|
| Treasury bills | - | 207,525,248 | - | 207,525,248 |
|----------------|---|-------------|---|-------------|

Non-financial assets

| | | | | |
|--|---|---|-------------|-------------|
| Fixed assets (Leasehold land and building) | - | - | 387,715,093 | 387,715,093 |
|--|---|---|-------------|-------------|

| | | | | |
|--------------|---|-------------|-------------|-------------|
| Total | - | 207,525,248 | 451,928,444 | 659,453,692 |
|--------------|---|-------------|-------------|-------------|

| June 30, 2019 (Audited) | | | |
|-------------------------|---------|---------|-------|
| Fair value | | | |
| Level 1 | Level 2 | Level 3 | Total |

(Rupees)

RECURRING FAIR VALUE MEASUREMENTS

Financial assets

Financial assets at fair value through other comprehensive income

| | | | | |
|----------------------------|---|---|-------------|-------------|
| AI Hail ORIX Finance PSC | - | - | 188,177,948 | 188,177,948 |
| Ordinary shares - unlisted | - | - | 13,936,822 | 13,936,822 |

Financial assets at fair value through profit or loss

| | | | | |
|----------------|---|-------------|---|-------------|
| Treasury bills | - | 380,501,894 | - | 380,501,894 |
|----------------|---|-------------|---|-------------|

Non-financial assets

| | | | | |
|--|---|---|-------------|-------------|
| Fixed assets (Leasehold land and building) | - | - | 396,621,405 | 396,621,405 |
|--|---|---|-------------|-------------|

| | | | | |
|--------------|---|-------------|-------------|-------------|
| Total | - | 380,501,894 | 598,736,175 | 979,238,069 |
|--------------|---|-------------|-------------|-------------|

| | | (Un-audited) | |
|-----------|---|--------------------------------|----------------|
| | | Nine months period ended | |
| | | March 31, 2020 | March 31, 2019 |
| | | (Rupees) | |
| 24 | CASH AND CASH EQUIVALENTS | | |
| | Cash at bank | 149,269,545 | 94,984,255 |
| | Cash in hand | 1,722,383 | 1,687,348 |
| | Running finance arrangements | 150,991,928 | 96,671,603 |
| | | (1,248,003,053) | (953,605,803) |
| | | (1,097,011,125) | (856,934,200) |
| 25 | EARNINGS PER SHARE - BASIC AND DILUTED | | |
| | Profit for the period after taxation | 683,366,261 | 764,375,225 |
| | | ----- (Number of Shares) ----- | |
| | Weighted average number of ordinary shares | 167,054,902 | 167,054,902 |
| | | ----- (Rupees) ----- | |
| | Earnings per share - basic and diluted | 4.09 | 4.58 |

25.1 Diluted earnings per share has not been presented separately as the Company does not have any convertible instruments in issue as at March 31, 2020 and March 31, 2019, which would have any effect on the earnings per share if the option to convert is exercised.

26 GENERAL

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

26.2 Figures reported in these unconsolidated condensed interim financial statements have been rounded off to the nearest Rupee unless otherwise stated.

27 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on April 30, 2020 by the Board of Directors of the Company.



Chief Executive Officer



Director



Chief Financial Officer

ORIX Leasing Pakistan Limited
Consolidated Condensed Interim Statement of Financial Position
As at March 31, 2020

| | Note | (Un-audited) March 31, 2020 | (Audited) June 30, 2019 |
|---|------|-----------------------------------|-------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | 5 | 4,158,337,443 | 4,338,066,725 |
| Intangible assets | 6 | 67,679,066 | 81,938,905 |
| Net investment in finance lease | 7 | 15,895,699,336 | 17,955,603,086 |
| Current maturity | | (7,949,960,804) | (9,151,970,240) |
| Allowance for potential lease losses | | (696,660,280) | (669,018,735) |
| | | (8,646,621,084) | (9,820,988,975) |
| | | 7,249,078,252 | 8,134,614,111 |
| Investment in associates | | 982,160,375 | 942,321,227 |
| Long-term investments | 8 | 499,333,379 | 407,342,320 |
| Long-term finances and loans | | 4,431,594,988 | 4,235,619,137 |
| Long-term deposits | | 12,907,566 | 12,390,066 |
| | | 17,401,091,069 | 18,152,292,491 |
| Current assets | | | |
| Advances and prepayments | | 236,315,524 | 192,821,561 |
| Short-term finances | | 266,392,301 | 285,006,782 |
| Accrued return on investments and term finance | | 113,840,665 | 135,034,672 |
| Current maturity of non-current assets | 9 | 11,234,805,220 | 12,489,841,573 |
| Other receivables | | 181,998,289 | 147,089,203 |
| Short-term investments | 10 | 222,505,920 | 394,438,716 |
| Defined benefit plan asset | | 8,808,244 | 8,808,244 |
| Net investment in Ijarah finance | | 370,000 | 370,000 |
| Cash and bank balances | | 727,519,579 | 616,220,762 |
| | | 12,992,555,742 | 14,269,631,513 |
| Assets classified as held for sale | 11 | 273,840,509 | 293,867,662 |
| Total assets | | 30,667,487,320 | 32,715,791,666 |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Authorised share capital | | 3,500,000,000 | 3,500,000,000 |
| 350,000,000 (June 30, 2019: 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 | | 5,926,236,516 | 6,309,631,878 |
| Total equity attributable to equity holder of the Holding Company | | 7,596,785,536 | 7,980,180,898 |
| Non-controlling interest | | 951,582,232 | 979,976,301 |
| | | 8,548,367,768 | 8,960,157,199 |
| Non-current liabilities | | | |
| Long-term finances | 13 | 5,456,394,055 | 7,411,171,148 |
| Long-term certificates of deposit | | 2,685,085,984 | 2,819,697,418 |
| Long-term deposits | | 431,707,359 | 460,371,219 |
| Deferred taxation | | 612,833,336 | 699,540,763 |
| Other long-term liabilities | | 286,703,826 | 164,902,777 |
| Redeemable capital | | 38,800,000 | 37,750,000 |
| | | 9,511,524,560 | 11,593,433,325 |
| Current liabilities | | | |
| Trade and other payables | | 729,669,650 | 1,158,069,669 |
| Accrued interest / mark-up on loans, finances and certificates of deposit | | 449,873,015 | 449,397,319 |
| Unpaid dividend | | 334,109,804 | - |
| Unclaimed dividend | | 84,943,438 | 78,313,447 |
| Short-term borrowings | 14 | 1,248,003,053 | 1,332,642,374 |
| Short-term certificates of deposit | | 780,614,303 | 695,436,338 |
| Taxation-net | | 358,421,131 | 191,242,328 |
| Current maturity of non-current liabilities | 15 | 8,621,960,598 | 8,257,099,667 |
| | | 12,607,594,992 | 12,162,201,142 |
| Total equity and liabilities | | 30,667,487,320 | 32,715,791,666 |
| Contingencies and Commitments | 16 | | |

The annexed notes 1 to 27 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

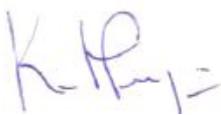
ORIX Leasing Pakistan Limited
Consolidated Condensed Interim Statement of Profit or Loss (Un-audited)
For the nine months period and quarter ended March 31, 2020

| Note | Nine months period ended | | Quarter ended | |
|---|--------------------------|----------------------|----------------------|----------------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| -----Rupees----- | | | | |
| INCOME | | | | |
| Income from operations | | | | |
| Finance leases | 2,322,018,355 | 2,080,587,436 | 736,741,283 | 740,807,398 |
| Operating leases | 1,288,612,010 | 1,452,168,149 | 428,036,452 | 506,478,609 |
| Mark-up on term finance | 1,074,820,840 | 804,408,877 | 369,219,560 | 289,132,674 |
| | <u>4,685,451,205</u> | <u>4,337,164,462</u> | <u>1,533,997,295</u> | <u>1,536,418,681</u> |
| Income from other activities | | | | |
| Other income - net | 17 335,351,221 | 233,428,803 | 121,743,266 | 82,053,251 |
| Share of profit of associate under equity accounting | 18 27,182,228 | 37,808,557 | 7,133,530 | 10,397,791 |
| | <u>362,533,449</u> | <u>271,237,360</u> | <u>128,876,796</u> | <u>92,451,042</u> |
| | <u>5,047,984,654</u> | <u>4,608,401,822</u> | <u>1,662,874,091</u> | <u>1,628,869,723</u> |
| EXPENSES | | | | |
| Finance cost | 19 1,910,364,839 | 1,428,317,942 | 630,383,915 | 527,815,571 |
| Administrative and general expenses | 1,061,121,860 | 1,029,955,220 | 360,755,952 | 348,951,565 |
| Direct cost | 993,966,573 | 1,186,579,541 | 329,385,999 | 405,918,548 |
| | <u>3,965,453,272</u> | <u>3,644,852,703</u> | <u>1,320,525,866</u> | <u>1,282,685,684</u> |
| Profit before provision and taxation | <u>1,082,531,382</u> | <u>963,549,119</u> | <u>342,348,225</u> | <u>346,184,039</u> |
| Provision / (Reversal of provision) for potential lease and other loan losses - net | 69,435,248 | (177,554,932) | 47,284,530 | (49,297,225) |
| Other (reversal) / provisions - net | 20 (8,967,093) | 15,777,935 | 795,894 | 3,992,466 |
| | <u>60,468,155</u> | <u>(161,776,997)</u> | <u>48,080,424</u> | <u>(45,304,759)</u> |
| Profit before taxation | <u>1,022,063,227</u> | <u>1,125,326,116</u> | <u>294,267,801</u> | <u>391,488,798</u> |
| Taxation - Current | 344,644,375 | 183,261,926 | 63,372,660 | 65,403,176 |
| - Prior | (663,811) | - | - | - |
| - Deferred | (59,260,080) | 140,579,210 | 32,514,189 | 44,216,149 |
| | <u>284,720,484</u> | <u>323,841,136</u> | <u>95,886,849</u> | <u>109,619,325</u> |
| Net profit for the period after taxation | <u>737,342,743</u> | <u>801,484,980</u> | <u>198,380,952</u> | <u>281,869,473</u> |
| Profit attributable to | | | | |
| Equity shareholders of the Holding Company | 674,967,480 | 751,634,802 | 179,373,168 | 259,347,547 |
| Non-controlling interest | 62,375,263 | 49,850,178 | 19,007,784 | 22,521,926 |
| | <u>737,342,743</u> | <u>801,484,980</u> | <u>198,380,952</u> | <u>281,869,473</u> |
| Earnings per share - basic and diluted | 25 4.04 | 4.50 | 1.07 | 1.55 |

The annexed notes 1 to 27 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

ORIX Leasing Pakistan Limited
 Consolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Un-audited)
 For the nine months period and quarter ended March 31, 2020

| | Nine months period ended | | Quarter ended | |
|--|--------------------------|---------------------|---------------------|---------------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| -----Rupees----- | | | | |
| Profit for the period after taxation attributable to: | | | | |
| Equity shareholders of the Holding Company | 674,967,480 | 751,634,802 | 179,373,168 | 259,347,547 |
| Non-controlling interest | 62,375,263 | 49,850,178 | 19,007,784 | 22,521,926 |
| | 737,342,743 | 801,484,980 | 198,380,952 | 281,869,473 |
| Other comprehensive income | | | | |
| <i>Items that will be subsequently reclassified to profit or loss</i> | | | | |
| Exchange gain arising on translation of foreign associates - net of deferred tax | 9,977,322 | 82,564,328 | 51,515,312 | 8,668,266 |
| <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 | (107,680,824) | (34,232,330) | (37,325,469) | (32,090,697) |
| Share of other comprehensive income of associates | (93,653) | (990,809) | (427,220) | - |
| | (107,774,477) | (35,223,139) | (37,752,689) | (32,090,697) |
| Total comprehensive income for the period | 639,545,588 | 848,826,169 | 212,143,575 | 258,447,042 |
| Total comprehensive income for the period attributable to: | | | | |
| Equity shareholders of the Holding Company | 577,170,325 | 798,975,991 | 193,135,791 | 235,925,116 |
| Non-controlling interest | 62,375,263 | 49,850,178 | 19,007,784 | 22,521,926 |
| | 639,545,588 | 848,826,169 | 212,143,575 | 258,447,042 |

The annexed notes 1 to 27 form an integral part of these consolidated condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

ORIX Leasing Pakistan Limited
Consolidated Condensed Interim Statement of Cash Flows (Un-audited)
For the nine months period ended March 31, 2020

| Note | March 31, 2020 | March 31, 2019 |
|---|------------------------|------------------------|
| -----Rupees----- | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation for the period | 1,022,063,227 | 1,125,326,116 |
| Adjustments for: | | |
| Depreciation and amortisation | 1,057,171,846 | 1,237,290,022 |
| Amortisation of transaction cost | 2,719,406 | 6,741,548 |
| Reversal of provision for potential lease and other loan losses - net | 69,435,248 | (177,554,932) |
| Other (reversal) / provisions - net | (12,053,988) | 13,152,482 |
| Provision for workers' welfare fund | 1,783,046 | 1,515,144 |
| Provision for service sales tax | 1,303,849 | 1,110,309 |
| Charge for defined benefit plan | 15,840,349 | 15,431,706 |
| Share of profit of equity accounted undertakings | (27,182,228) | (37,808,557) |
| Fair value changes on remeasurement of financial assets at fair value | (787,124) | 12,828 |
| Finance cost | 1,900,978,113 | 1,408,932,903 |
| Dividend income | (988,280) | (892,648) |
| Return on investments and deposits | (104,258,032) | (60,806,618) |
| Gain on disposal of fixed assets | (31,236,268) | (21,901,082) |
| | <u>2,872,725,937</u> | <u>2,385,223,105</u> |
| Operating profit before working capital changes | 3,894,789,164 | 3,510,549,221 |
| Decrease / (Increase) in operating assets | | |
| Investment in finance lease - net | 2,062,398,238 | 602,696,858 |
| Long-term finances and loans - net | (224,996,403) | (318,469,690) |
| Short-term finances | 914,912 | (52,490,853) |
| Long-term deposits | (517,500) | (251,406) |
| Advances and prepayments | (9,506,267) | (32,570,718) |
| Other receivables | (27,194,188) | (46,162,808) |
| | <u>1,801,098,792</u> | <u>152,751,383</u> |
| Increase / (decrease) in operating liabilities | | |
| Deposits from lessees - net | (10,652,599) | 47,803,971 |
| Other long term liabilities - net | (301,919,518) | (364,593,765) |
| Trade and other payables | (430,501,371) | 266,649,048 |
| | <u>(743,073,488)</u> | <u>(50,140,746)</u> |
| Cash generated from operating activities | <u>4,952,814,468</u> | <u>3,613,159,858</u> |
| | | |
| Payment against staff retirement benefits | (14,406,534) | (35,401,390) |
| Sindh Workers' Welfare Fund paid | (985,545) | - |
| Income tax paid | (176,801,755) | (178,984,588) |
| | <u>(192,193,834)</u> | <u>(214,385,978)</u> |
| Net cash generated from operating activities | 4,760,620,634 | 3,398,773,880 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital expenditure incurred - own use and intangible assets | (42,087,447) | (73,952,486) |
| Capital expenditure incurred - ijarah finance | (1,156,439,333) | (1,374,177,327) |
| Proceeds from disposal of assets - own use | 4,173,251 | 7,877,495 |
| Proceeds from sale of ijarah finance assets | 501,934,325 | 422,485,658 |
| Investments - net | 31,255,419 | 191,117,573 |
| Dividend received | 23,680,046 | 23,584,414 |
| Interest received | 73,369,615 | 49,670,873 |
| Net cash used in investing activities | (564,114,124) | (753,393,800) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from long-term loans - net | 1,444,685,775 | 4,088,585,314 |
| Short-term borrowings - net | (250,000,000) | (645,000,000) |
| Certificates of deposit redeemed / issued - net | (107,780,254) | (1,024,050,391) |
| Repayment of long-term loans and finances | (3,023,305,785) | (3,041,282,849) |
| Finance cost paid | (1,560,310,759) | (985,807,302) |
| Payment of lease liability against right-of-use assets | (20,570,357) | - |
| Dividend paid | (733,286,991) | (730,123,851) |
| Net cash used in financing activities | (4,250,568,371) | (2,337,679,079) |
| Net increase / (decrease) in cash and cash equivalents | <u>(54,061,861)</u> | <u>307,701,001</u> |
| Cash and cash equivalents at beginning of the period | <u>(466,421,613)</u> | <u>(785,422,044)</u> |
| Cash and cash equivalents at end of the period | (520,483,474) | (477,721,043) |

24

The annexed notes 1 to 27 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

ORIX Leasing Pakistan Limited
Consolidated Condensed Interim Statement of Changes in Equity
For the nine months period ended March 31, 2020

| | Attributable to equity shareholders of the Holding Company | | | | | | | Non-controlling Interest | Total | |
|--|--|----------------------|--------------------------------------|--|--|-----------------------|----------------------|--------------------------|--------------------|----------------------|
| | Reserves | | | | | | | | | |
| | Issued, subscribed and paid-up capital | Capital Reserves | | | | Unappropriated profit | 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 | | | | | |
| Balance as at July 1, 2018 (audited) | 1,392,124,190 | 1,863,635,353 | 1,255,031,986 | 49,848,144 | 2,888,459 | 309,725,825 | 2,349,095,118 | 5,830,224,885 | 982,061,399 | 8,204,410,474 |
| Impact of change in accounting policy - net of tax | - | - | - | - | (39,060,357) | - | 39,060,357 | - | - | - |
| Impact of change in associate's accounting policy - net of tax | - | - | - | - | - | - | (3,268,836) | (3,268,836) | - | (3,268,836) |
| Total comprehensive income for the nine months period ended March 31, 2019 | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | 751,634,802 | 751,634,802 | 49,850,178 | 801,484,980 |
| Other comprehensive income/(loss) | - | - | - | 82,564,328 | (34,232,330) | - | (990,809) | 47,341,189 | - | 47,341,189 |
| Total comprehensive income for the period | - | - | - | 82,564,328 | (34,232,330) | - | 750,643,993 | 798,975,991 | 49,850,178 | 848,826,169 |
| Transactions with owners recorded directly in equity | | | | | | | | | | |
| Bonus shares issued from share premium reserve | 278,424,830 | (278,424,830) | - | - | - | - | - | (278,424,830) | - | - |
| Cash dividend @ Rs.3.00 per ordinary share of Rs. 10.00 each for the year ended June 30, 2018 | - | - | - | - | - | - | (417,637,257) | (417,637,257) | - | (417,637,257) |
| Profit distribution for the year ended June 30, 2018 @ Rs. 2.5 per certificate | - | - | - | - | - | - | - | - | (90,767,060) | (90,767,060) |
| Transferred from surplus on revaluation of fixed assets on account of incremental depreciation | - | - | - | - | - | (5,121,540) | 5,121,540 | - | - | - |
| Balance as at March 31, 2019 (un-audited) | 1,670,549,020 | 1,585,210,523 | 1,255,031,986 | 132,412,472 | (70,404,228) | 304,604,285 | 2,723,014,915 | 5,929,869,953 | 941,144,517 | 8,541,563,490 |
| Balance as at July 1, 2019 (audited) | 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 |
| Total comprehensive income for the nine months period ended March 31, 2020 | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | 674,967,480 | 674,967,480 | 62,375,263 | 737,342,743 |
| Other comprehensive income | - | - | - | 9,977,322 | (107,680,824) | - | (93,653) | (97,797,155) | - | (97,797,155) |
| Total comprehensive income for the period | - | - | - | 9,977,322 | (107,680,824) | - | 674,873,827 | 577,170,325 | 62,375,263 | 639,545,588 |
| Transactions with owners recorded directly in equity | | | | | | | | | | |
| Cash dividend @ Rs.3.75 per ordinary share of Rs. 10.00 each for the year ended June 30, 2019 | - | - | - | - | - | - | (626,455,883) | (626,455,883) | - | (626,455,883) |
| Interim cash dividend @ Rs.2 per ordinary share of Rs. 10.00 each for the year ended June 30, 2020 | - | - | - | - | - | - | (334,109,804) | (334,109,804) | - | (334,109,804) |
| Profit distribution for the year ended June 30, 2019 @ Rs. 2.5 per certificate | - | - | - | - | - | - | - | - | (90,769,332) | (90,769,332) |
| Transferred from surplus on revaluation of fixed assets on account of incremental depreciation | - | - | - | - | - | 5,121,540 | (5,121,540) | - | - | - |
| Balance as at March 31, 2020 (Un-audited) | 1,670,549,020 | 1,585,210,523 | 1,459,535,379 | 249,565,598 | (177,863,083) | 308,018,645 | 2,501,769,454 | 5,926,236,516 | 951,582,232 | 8,548,367,768 |

The annexed notes 1 to 27 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

ORIX Leasing Pakistan Limited
Notes to and forming part of the Consolidated Condensed Interim Financial Information (Un-audited)
For the nine months period ended March 31, 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 1, 1986 under the repealed Companies Ordinance, 1984 (now 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. The registered office of the Company is situated at Islamic Chamber of Commerce Building, Clifton, Karachi. The Holding Company is licensed to carry out Investment Finance Services as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP).

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard 34 " Interim Financial Reporting" issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017, the requirements of Companies Act, 2017, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. In case the requirements differ, the provisions of and directives issued under the NBFC Rules, the NBFC Regulations, the Companies Act, 2017 and the directives issued by the SECP prevail.

2.2 Basis of measurement

These consolidated condensed interim financial statements 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;
- Obligation in respect of staff gratuity is measured at present value of defined benefit obligation;
- Non-current assets classified as held-for-sale are valued at lower of carrying amount and fair value less cost to sell; and
- Investments in associated undertakings are valued under equity accounting method.

- 2.3** These consolidated condensed interim financial statements do 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, 2019.

- 2.4** The comparative statement of financial position presented in these consolidated condensed interim financial statements has been extracted from the annual published consolidated audited financial statements of the Holding Company for the year ended June 30, 2019, whereas the comparative profit or loss, statement of comprehensive income, statement of changes in equity and cash flows statement are stated from the consolidated unaudited condensed interim financial statements for the period ended March 31, 2019.

- 2.5** These consolidated condensed interim financial statements have 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 these consolidated condensed interim financial statements 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, 2019 except for the following:

3.1.1 Adoption of IFRS 16 - Leases

During the period, IFRS 16 - Leases became applicable to the Group. IFRS 16 replace, existing guidance on accounting for leases, including IAS 17 "Leases", IFRIC 4 - "Determining whether an Arrangement contains a Lease, SIC-15 - "Operating Leases - Incentive", and SIC-27 - "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". IFRS 16 introduces an on-balance sheet lease accounting model for leases by the lessee. The lessee recognises a right-of-use asset representing its right of using the underlying asset and a corresponding lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as either finance or operating leases.

The Group has adopted IFRS 16 from July 1, 2019 using the modified retrospective restatement approach and has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard.

On adoption of IFRS 16, the Group has recognised liabilities in respect of leases which were previously classified as operating leases under IAS 17. These liabilities are initially measured as the present value of the remaining lease payments, discounted using the Group's incremental weighted average borrowing rate applicable as of July 1, 2019. The lease liabilities are subsequently measured at amortised cost using the effective interest rate method. Lease liabilities against right-of-use assets as at July 1, 2019 and March 31, 2020 are as follows:

| | March 31, 2020 | July 1, 2019 |
|--|---------------------------|--------------------|
| Lease liability against right-of-use asset | <u>127,169,031</u> | <u>126,411,006</u> |

On adoption of IFRS 16, the associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of prepaid lease payments recognised in the consolidated condensed interim statement of financial position immediately before the date of initial application.

The right-of-use asset recognised subsequent to the adoption is measured based on the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred. The right-of-use asset is depreciated on a straight line basis over the lease term and reduced by impairment losses, if any, and adjusted for certain remeasurements of lease liability.

| | March 31, 2020 | July 1, 2019 |
|---|---------------------------|--------------------|
| The recognised right-of-use assets relate to the following type of asset: | | |
| Rented premises | <u>122,032,142</u> | <u>132,115,778</u> |

The effect of this change in accounting policy is as follows:

Impact on Consolidated Condensed Interim Statement of Financial Position

| | | |
|---|--------------------|-------------|
| Increase in fixed assets - right-of-use assets | 122,032,142 | 132,115,778 |
| Decrease in advances and prepayments | (4,245,412) | (5,704,772) |
| Increase in taxation-net | 2,720,867 | - |
| | 120,507,597 | 126,411,006 |
| Increase in lease liability against right-of-use assets | 127,169,031 | 126,411,006 |
| Decrease in net assets | (6,661,433) | - |

**March 31,
2020**

Impact on Consolidated Condensed Interim Profit or Loss account

| | |
|---|---------------------------|
| Increase in mark-up expense - Lease liability against right-of-use assets | (12,308,315) |
| Increase in depreciation on right-of-use assets | (17,644,342) |
| Decrease in rent expense | <u>20,570,357</u> |
| Decrease in profit before taxation | (9,382,300) |
| Decrease in taxation-net | <u>2,720,867</u> |
| Decrease in profit after taxation | <u>(6,661,433)</u> |

Earnings per share for the nine months ended March 31, 2020 decreased by Rs. 0.004 per share as a result of the adoption of IFRS 16.

The Group has used a single discount rate methodology for a portfolio of leases with similar characteristics. The Group has opted not to recognise right-of-use assets for leases of low value. The payments associated with such leases are recognised as an expense on a straight line basis over the lease term.

- 3.2** The preparation of these consolidated condensed interim financial statements in conformity with accounting and reporting 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, 2019.

3.4 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period

- 3.4.1 Certain new amendments to approved accounting standards have been published and are mandatory for the Holding Company's accounting period beginning on or after July 1, 2019 but are considered not to be relevant or to have any significant effect on these consolidated condensed interim financial statements other than those disclosed in note 3.1.1 above.

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

The following revised standards, amendments and interpretations of approved accounting standards would be effective from the dates mentioned below against the respective standard or interpretation:

| Standard, Interpretation or Amendment | Effective date (annual periods beginning on or after) |
|--|---|
| - IAS 1 - "Presentation of Financial Statements" and IAS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors" | January 1, 2020 |
| - IFRS 3 - "Business Combinations" | January 1, 2020 |

The Group expects that the adoption of above amendments and interpretations will not affect its financial statements in the period of initial application except certain additional disclosures. The Group is currently in the process of analysing the potential impacts of adoption of the above standards.

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, 2019 except for the following additional considerations due to the COVID-19.

- 4.1 COVID-19, and the measures taken to reduce its spread, has impacted the Pakistan economy significantly. The financial sector is likely to face an increase in overall credit and default risk pertaining to exposures to certain sectors, reduced income due to slowdown in business and economic activity and operational issues such as managing cyber security threat. Regulators and governments across the globe have introduced fiscal and economic stimulus measures to mitigate its impact.

The State Bank of Pakistan (SBP) has responded to the crisis by cutting the policy rate by 425 basis points to 9 percent during the months of March and April 2020 and by introducing regulatory measures to maintain banking system soundness and to sustain economic activity. These include allowing financial institutions to defer clients' payment of principal on loan obligations by one year and relaxing regulatory criteria for restructured/rescheduled loans for borrowers who require relief beyond the extension of principal repayment for one year. Securities and Exchange Commission of Pakistan (SECP) has issued similar measures for the NBFC sector.

The Group is conducting extensive assessments to identify customers operating in sectors which are most likely to get affected and has further strengthened its credit review procedures. Based on the impact assessment on the portfolio as at March 31, 2020, the Group has downgraded customers at heightened risk levels on a subjective basis and is expecting to receive applications for deferral of principal and markup from more customers. The liquidity position, future cash flows and availability of credit lines are being continuously monitored and due precautionary measures are being taken where needed. The Company is closely monitoring the situation and has invoked required actions to ensure safety and security of staff and an uninterrupted service to customers. Business Continuity Plans for respective areas are in place and tested. The Group has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network connections. Further, Group has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber attacks.

| | Note | (Un-audited) March 31, 2020 | (Audited) June 30, 2019 |
|-----------------------|------|-----------------------------------|-------------------------------|
| Rupees | | | |
| 5 FIXED ASSETS | | | |
| Own use | | 585,961,139 | 592,849,951 |
| Operating lease | | 136,898,690 | 144,475,394 |
| Ijarah finance | | 3,313,445,472 | 3,600,741,380 |
| Right-of-use assets | 5.1 | 122,032,142 | - |
| | | <u>4,158,337,443</u> | <u>4,338,066,725</u> |

5.1 This represents right-of-use assets capitalised due to adoption of IFRS 16 as disclosed in note 3.1.1.

5.2 The following is a statement of cost of additions and disposals to / from fixed assets for the nine months period ended March 31, 2020:

| | Own use | | Right-of-use assets | | Assets under Ijarah financing | |
|--|--------------------------|--------------------------|---------------------|---------------------------|-------------------------------|----------------------|
| | Additions / Transfers | Disposals / Transfers | Additions | Disposals / Adjustment | Additions | Disposals |
| Rupees | | | | | | |
| Generators / Machinery | 15,924,021 | - | - | - | 759,228,633 | 543,121,983 |
| Right-of-use assets | - | - | 22,423,812 | 14,863,105 | - | - |
| Leasehold improvements | 64,590,109 | 2,299,365 | - | - | - | - |
| Furniture, fittings and office equipment | 5,154,994 | 1,121,000 | - | - | - | - |
| Computers and accessories | 10,035,058 | 157,000 | - | - | - | - |
| Vehicles | 3,346,785 | 7,361,000 | - | - | 397,210,700 | 806,204,040 |
| Capital work in progress | 16,155,133 | 76,625,231 | - | - | - | - |
| March 31, 2020 | 115,206,100 | 87,563,596 | 22,423,812 | 14,863,105 | 1,156,439,333 | 1,349,326,023 |
| March 31, 2019 | 68,430,634 | 23,187,075 | - | - | 1,374,177,327 | 1,313,425,657 |

| | Note | (Un-audited) March 31, 2020 | (Audited) June 30, 2019 |
|----------------------------------|------|-----------------------------------|-------------------------------|
| Rupees | | | |
| 6 INTANGIBLE ASSETS | | | |
| Computer software and license | 6.1 | 14,021,762 | 19,067,315 |
| Goodwill | | 13,728,733 | 13,728,733 |
| Customer relationship for Ijarah | | 39,928,571 | 49,142,857 |
| | | <u>67,679,066</u> | <u>81,938,905</u> |

6.1 Additions / transfers amounting to Rs. 3,160,509 (March 2019: Rs. 5,521,852) were made to intangible assets during the nine months period ended March 31, 2020.

| | Note | (Un-audited) March 31, 2020 | (Audited) June 30, 2019 |
|--|------|-----------------------------------|-------------------------------|
| Rupees | | | |
| 7 NET INVESTMENT IN FINANCE LEASE | | | |
| Instalment contract receivables | | 19,755,335,710 | 22,287,465,719 |
| Residual value | | 8,076,152,999 | 8,457,924,284 |
| Less: adjustable security deposit | | 8,051,279,446 | 8,427,394,395 |
| | | <u>19,780,209,263</u> | <u>22,317,995,608</u> |
| Less: unearned finance income | | 3,884,509,927 | 4,362,392,522 |
| | | <u>15,895,699,336</u> | <u>17,955,603,086</u> |

8 LONG-TERM INVESTMENTS

Amortised Cost

| | | | |
|---|-----|--------------|--------------|
| Pakistan Investment Bonds (PIBs) | | 440,598,620 | 268,623,384 |
| Investment in Sukuk certificates | 8.1 | 57,701,835 | 57,701,835 |
| Less: provision for potential losses on investments | | (57,701,835) | (57,701,835) |
| | | - | - |

At fair value through profit or loss

Units of collective investment scheme

| | | | |
|--|--|-----------|------------|
| National Investment (Unit) Trust | | | |
| 202,000 (2019: 202,000 units of Rs. 10 each) | | | |
| Cost Rs. 1,363,500 (2019: Rs. 1,363,500) | | 9,502,080 | 10,988,800 |

At fair value through other comprehensive income

| | | | |
|---|-----|-------------------|--------------------|
| Al Hail ORIX Finance PSC | 8.2 | 279,097,858 | 279,097,858 |
| Less: fair value change on remeasurement of financials assets | | (229,865,179) | (90,919,910) |
| | | 49,232,679 | 188,177,948 |
| Less: current maturity | | - | 60,447,812 |
| | | <u>49,232,679</u> | <u>127,730,136</u> |

8.1 This represents investment by the Modaraba in unlisted Sukuk Certificates which has been fully provided.

8.2 During the period, the Holding Company reassessed the fair value of its investment in Al Hail ORIX Finance PSC and recorded Rs. 138.945 million as decrease in its fair value.

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 audited financial statements for the year ended June 30, 2019 except the following:

16.1.1 During the period, the Additional Commissioner Inland Revenue (ACIR) passed amended assessment orders on September 23, 2019 under section 122(5A) of the Ordinance for the years 2015 and 2016 and created demand of Rs. 84 million and Rs. 862 million respectively against the Holding Company. This was mainly the result of disallowance of tax loss on lease terminations and certain other matters. The Holding Company preferred an appeal against these amended assessment orders before the Commissioner Inland Revenue (Appeals) (CIR-A). On January 1, 2020 CIR-A disposed of the appeal with major relief to the Holding Company. The Holding Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) on the issues decided against the Holding Company by the CIR-A which is pending for adjudication.

Based on the merits of the case and the tax advisor's opinion, management considers that decision will be made in Group's favour, hence no provision has been recorded in these consolidated condensed interim financial statements in this regard.

16.1.2 The ACIR passed amended assessment orders on February 21, 2019 under section 122(5A) of the Ordinance for the tax years 2017 and 2018 and created demands of Rs. 911.5 million and Rs. 1,371.4 million respectively against the Holding Company. This was mainly the result of disallowance of tax loss on lease terminations, levy of super tax and certain other matters. On October 3, 2019, the ACIR rectified the amended assessment order (rectification order) under section 221(1) of the Ordinance for the tax year 2017 and created additional demand of Rs. 290 million due to disallowance of brought forward tax losses claimed in the tax year 2017 as a result of amendment made in tax year 2016. The Holding Company preferred separate appeals against the amended assessment orders before the CIR-A. On January 8, 2020 CIR-A disposed of the appeal with major relief to the Holding Company. The Holding Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) on the issues decided against the Holding Company by the CIR-A which is pending for adjudication.

Based on the merits of the case and the tax advisor's opinion, management considers that decision will be made in Group's favour, hence no provision has been recorded in these consolidated condensed interim financial statements in this regard.

16.1.3 On September 26, 2019, the Federal Board of Revenue (FBR) issued a show cause notice to the Holding Company challenging the estimates of advance tax under section 147 of the Ordinance filed by the Holding Company for the quarter ended September 30, 2019 and additionally demanded Rs. 117.2 million. The Holding Company's legal and tax advisors are of the opinion that the estimate filed by the Company is in accordance with the law and accordingly the Company filed a constitutional petition before the Sindh High Court (SHC) against the recovery of impugned advance tax demand. The SHC has passed a stay order restricting FBR from taking any coercive measures against the Holding Company.

16.2 Leases committed but not executed at the reporting date amounted to Rs. 30.35 million (June 2019: Rs. 82.07 million).

16.3 Commitments relating to capital expenditure at the reporting date amounted to Rs. 8.69 million (June 2019: Rs. 15.75 million).

16.4 The Modaraba has issued letters of comfort to various commercial banks amounting to Rs. Nil (June 2019: Rs. 119.28 million) on behalf of its customers.

| | (Un-audited) | |
|------------------------------|--------------------------|--------------------|
| | Nine months period ended | |
| | March 31, 2020 | March 31, 2019 |
| -----Rupees----- | | |
| 17 OTHER INCOME - NET | | |
| Income from investments | 118,996,873 | 49,391,217 |
| Other fees and income | 216,354,348 | 184,037,586 |
| | <u>335,351,221</u> | <u>233,428,803</u> |

18 SHARE OF PROFIT OF ASSOCIATE UNDER EQUITY ACCOUNTING

| Name of associate | (Un-audited) | | | |
|----------------------------|--|---|--|---|
| | Nine months period ended March 31, 2020 | | Nine months period ended March 31, 2019 | |
| | Associates' profit after tax | Share of associates' profit after tax | Associates' profit after tax | Share of associates' profit after tax |
| -----Rupees----- | | | | |
| Un-quoted | | | | |
| Saudi ORIX Leasing Company | 1,359,111,465 | 27,182,228 | 1,890,427,848 | 37,808,557 |

| | (Un-audited) | |
|---|--------------------------|----------------------|
| | Nine months period ended | |
| | March 31, 2020 | March 31, 2019 |
| -----Rupees----- | | |
| 19 FINANCE COST | | |
| Interest / mark-up / profit on: | | |
| - Long-term finances | 1,004,101,215 | 687,210,738 |
| - Redeemable capital | 280,461,749 | 182,125,972 |
| - Musharika finance arrangements | 175,820,438 | 120,814,469 |
| - Short-term borrowings | 79,860,773 | 101,803,659 |
| - Certificates of deposit | 328,961,469 | 303,731,172 |
| - Lease liability against right-of-use assets | 12,308,312 | - |
| Amortisation of transaction costs | 2,719,406 | 6,741,548 |
| Bank charges | 26,131,477 | 25,890,384 |
| | <u>1,910,364,839</u> | <u>1,428,317,942</u> |

20 OTHER PROVISIONS - NET

| | | |
|---|--------------------|-------------------|
| Operating lease, investments and other receivables | | |
| Provision / (reversal) against other receivables and investments | (4,556,865) | 314,953 |
| Provision against Ijarah receivable | 1,451,746 | 252,900 |
| | <u>(3,105,119)</u> | <u>567,853</u> |
| Others | | |
| Provision against Workers' Welfare Fund | 1,783,046 | 1,515,144 |
| Provision for services sales tax on Management Company's remuneration | 1,303,849 | 1,110,309 |
| (Reversal of impairment) / impairment of assets classified as 'held for sale' | (8,948,869) | 12,584,629 |
| | <u>(8,967,093)</u> | <u>15,777,935</u> |

21 SEGMENT INFORMATION

The Group has three primary reporting segments namely, 'Finance lease', 'Finances and Loans' 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 extended to corporate entities and individuals for purchase of saloon vehicles and also includes micro finance which represents group / community based lending to the under-privileged community. Under the operating lease segment, the Group provides equipment on short-term rental to corporate entities. 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'.

| | March 31, 2020 | | | | |
|--|--------------------|--------------------|-------------------|---|-----------------------|
| | Finance lease | Finances and loans | Operating lease | Investment in subsidiaries, associates & others | Total |
| ----- Rupees ----- | | | | | |
| Segment analysis for the nine months period ended March 31, 2020 - (Unaudited) | | | | | |
| Segment revenues | 2,471,304,476 | 1,098,403,804 | 1,327,489,979 | 150,786,395 | 5,047,984,654 |
| Finance cost | 992,651,868 | 516,669,617 | 237,114,345 | 163,929,009 | 1,910,364,839 |
| Administrative and general expenses | 687,466,501 | 252,466,692 | 91,419,457 | 29,769,210 | 1,061,121,860 |
| Direct cost | 10,655,040 | 676,948 | 982,634,585 | - | 993,966,573 |
| (Reversals) / Provisions-net | 30,136,031 | 39,299,218 | 1,451,746 | (12,201,886) | 58,685,109 |
| Segment results | 750,395,036 | 289,291,329 | 14,869,846 | (30,709,938) | 1,023,846,273 |
| Provision for Workers' Welfare Fund | | | | | (1,783,046) |
| Provision for taxation | | | | | (284,720,484) |
| Profit for the period | | | | | 737,342,743 |
| Segment assets and Liabilities for the nine months period ended March 31, 2020 - (Un-audited) | | | | | |
| Segment assets | 15,208,752,130 | 7,849,819,132 | 3,589,995,167 | 2,499,649,551 | 29,148,215,980 |
| Unallocated assets | | | | | 1,519,271,340 |
| Total assets | | | | | 30,667,487,320 |
| Segment liabilities | 60,937,248 | 2,091,061,247 | 2,919,319,802 | 314,999,563 | 5,386,317,860 |
| Unallocated liabilities | | | | | 16,732,801,692 |
| Total liabilities | | | | | 22,119,119,552 |
| Other information | | | | | |
| Capital expenditure | - | - | 1,156,439,333 | - | 1,156,439,333 |
| Depreciation | - | - | 980,785,734 | - | 980,785,734 |
| Unallocated Capital expenditure | - | - | - | - | 42,087,447 |
| Unallocated depreciation and amortisation | - | - | - | - | 76,386,112 |
| ----- Rupees ----- | | | | | |
| March 31, 2019 | | | | | |
| | Finance lease | Finances and loans | Operating lease | Investment in subsidiaries, associates & others | Total |
| ----- Rupees ----- | | | | | |
| Segment analysis for the nine months period ended March 31, 2019 - (Unaudited) | | | | | |
| Segment revenues | 2,169,579,428 | 825,077,446 | 1,480,720,526 | 133,024,422 | 4,608,401,822 |
| Finance cost | 782,432,370 | 344,686,606 | 190,133,576 | 111,065,390 | 1,428,317,942 |
| Administrative and general expenses | 683,728,253 | 224,633,999 | 106,780,482 | 14,812,486 | 1,029,955,220 |
| Direct cost | 9,511,770 | 866,327 | 1,176,201,444 | - | 1,186,579,541 |
| (Reversals) / Provisions-net | (160,868,665) | (1,917,987) | (72,215) | (433,274) | (163,292,141) |
| Segment result | 854,775,700 | 256,808,501 | 7,677,239 | 7,579,820 | 1,126,841,260 |
| Provision for Workers' Welfare Fund | | | | | (1,515,144) |
| Provision for taxation | | | | | (323,841,136) |
| Profit for the period | | | | | 801,484,980 |
| Segment assets and Liabilities for the year ended June 30, 2019 (Audited) | | | | | |
| Segment assets | 17,316,324,578 | 7,761,507,782 | 3,953,168,289 | 2,475,150,366 | 31,506,151,015 |
| Unallocated assets | | | | | 1,209,640,651 |
| Total assets | | | | | 32,715,791,666 |
| Segment liabilities | 351,748,470 | 2,288,699,068 | 3,041,584,368 | 296,659,497 | 5,978,691,403 |
| Unallocated liabilities | | | | | 17,776,943,064 |
| Total liabilities | | | | | 23,755,634,467 |
| Other information | | | | | |
| Capital expenditure | - | - | 1,374,177,327 | - | 1,374,177,327 |
| Depreciation | - | - | 1,169,970,258 | - | 1,169,970,258 |
| Unallocated Capital expenditure | - | - | - | - | 73,952,486 |
| Unallocated depreciation and amortisation | - | - | - | - | 67,319,764 |

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) | |
|--|---------------------|--------------------|
| | March 31, 2020 | March 31, 2019 |
| | -----Rupees----- | |
| ORIX Corporation, Japan - Parent Company - 49.58% Holding | | |
| Dividend paid - net of tax | <u>287,280,276</u> | <u>383,024,136</u> |
| Saudi ORIX Leasing Company - Associate / Common directorship - 2.5% ownership | | |
| Reimbursement of cost | <u>7,504,352</u> | <u>2,502,909</u> |
| ORIX Leasing Pakistan Limited-Employees Provident Fund (OLP - EPF) | | |
| Contribution paid | <u>23,301,616</u> | <u>22,649,038</u> |
| ORIX Modaraba-Employees Provident Fund | | |
| Contribution paid | <u>3,506,685</u> | <u>3,042,180</u> |
| ORIX Leasing Pakistan Limited-Staff Gratuity Fund (OLP - SGF) | | |
| Contribution paid | <u>14,406,534</u> | <u>35,401,390</u> |
| Charity / Donation paid - Common Directorship | | |
| The Layton Rahmatullah Benevolent Trust | <u>1,000,000</u> | <u>1,250,000</u> |
| The Indus Hospital | <u>1,000,000</u> | <u>500,000</u> |
| ORIX Modaraba-Staff Gratuity Fund | | |
| Contribution paid | <u>2,921,041</u> | <u>2,536,363</u> |
| Reimbursement from Staff Gratuity Fund | <u>93,480</u> | <u>649,505</u> |
| Other related party transactions | | |
| Compensation of Directors and Key Management Personnel | | |
| Directors' fees paid | <u>3,375,000</u> | <u>3,400,000</u> |
| Short-term employee benefits | <u>194,560,379</u> | <u>167,745,418</u> |
| Retirement benefits | <u>11,028,518</u> | <u>11,033,693</u> |
| Total compensation of directors and key management personnel | <u>208,963,897</u> | <u>182,179,111</u> |
| Issuance of certificates of deposit | <u>700,000</u> | <u>400,000</u> |
| Redemption of certificates of deposit | <u>200,000</u> | <u>1,310,000</u> |
| Amount of profit paid on certificates of deposit | <u>141,797</u> | <u>242,991</u> |
| Income earned on Musharika finances | <u>5,882,553</u> | <u>3,790,470</u> |
| Ijarah rental earned on Ijarah finances | <u>-</u> | <u>2,944,147</u> |
| Loans disbursed during the period | <u>11,486,937</u> | <u>4,924,561</u> |
| Interest recovered during the period | <u>1,506,792</u> | <u>1,086,750</u> |
| Principal recovered during the period | <u>16,885,552</u> | <u>8,723,075</u> |
| Profit on Redeemable Capital | <u>395,915</u> | <u>125,288</u> |
| Reimbursement from Staff Gratuity Fund | <u>-</u> | <u>355,920</u> |
| | (Un-audited) | (Audited) |
| | March 31, | June 30, |
| | 2020 | 2019 |
| | -----Rupees----- | |

22.2 Balances with related parties as at period / year end

| | | |
|--|--------------------|--------------------|
| Investment in associated undertakings - held for sale | | |
| - OPP (Private) Limited - 45% ownership | <u>87,754,399</u> | <u>87,754,399</u> |
| - SAMA Finance SAE (formerly ORIX Leasing Egypt SAE) - 23% ownership | <u>172,043,037</u> | <u>172,043,037</u> |
| Long-term investment - Al Hail ORIX Finance PSC | <u>49,232,679</u> | <u>188,177,948</u> |
| Investment in associate | <u>982,160,375</u> | <u>942,321,227</u> |
| Certificates of deposit held | <u>2,600,000</u> | <u>2,100,000</u> |
| Accrued profit on certificates of deposit / Diminishing Musharika / Redeemable capital | <u>421,153</u> | <u>594,548</u> |
| Outstanding loans to Key Management Personnel | <u>69,799,870</u> | <u>62,074,389</u> |
| Receivable from staff retirement funds - Modaraba | <u>-</u> | <u>55,962</u> |
| Advance to Chief Executive Officer of the Management Company | <u>240,000</u> | <u>1,320,000</u> |
| Provision for Performance Bonus to Chief Executive Officer of the Management Company | <u>4,500,000</u> | <u>6,000,000</u> |
| Receivable from Saudi ORIX Leasing Company - Associate | <u>5,092,042</u> | <u>754,396</u> |
| Dividend payable to ORIX Corporation, Japan - Parent company | <u>165,639,078</u> | <u>-</u> |
| Receivable / (Payable) from ORIX Corporation, Japan - Parent Company | <u>7,140</u> | <u>(92,885)</u> |
| Redeemable capital to Key Management Personnel | <u>4,550,000</u> | <u>4,000,000</u> |

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of investments classified as "at fair value through profit or loss" and "at fair value through other comprehensive income" are based on active market. The investment in associates is accounted for using the equity method while the subsidiaries have been kept at cost. The value of unquoted equity investments is reduced, if required, on the basis of break-up value of those investments based on the latest available audited financial statements.

Fair value of net investments in finance lease, long term loans and finances, long term deposits and other assets, other liabilities, long term certificates of deposit and other accounts are approximate to their carrying value. The provision for impairment of finance lease and long term loans and finances has been calculated in accordance with the Group's accounting policy and the requirements of the NBFC Regulations.

In the opinion of Management, fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these assets and liabilities are short term in nature or are periodically repriced.

The Group has classified assets using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using 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).

Level 3: Fair value measurements using input 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:

| March 31, 2020 (Un-audited) | | | | |
|--|------------------|--------------------|--------------------|--------------------|
| Fair value | | | | |
| Level 1 | Level 2 | Level 3 | Total | |
| ----- (Rupees) ----- | | | | |
| RECURRING FAIR VALUE MEASUREMENTS | | | | |
| Financial assets | | | | |
| Financial assets at fair value through other comprehensive income | | | | |
| AI-Hail ORIX Finance PSC | - | - | 49,232,679 | 49,232,679 |
| Ordinary shares-unlisted | - | - | 14,980,672 | 14,980,672 |
| Financial assets at fair value through profit or loss | | | | |
| Treasury bills | - | 207,525,248 | - | 207,525,248 |
| Units of collective investment scheme | 9,502,080 | - | - | 9,502,080 |
| Non-financial assets | | | | |
| Fixed assets (Leasehold land & building) | - | - | 387,715,093 | 387,715,093 |
| Total | 9,502,080 | 207,525,248 | 451,928,444 | 668,955,772 |

| June 30, 2019 (Audited) | | | | |
|--|-------------------|--------------------|--------------------|--------------------|
| Fair value | | | | |
| Level 1 | Level 2 | Level 3 | Total | |
| ----- (Rupees) ----- | | | | |
| RECURRING FAIR VALUE MEASUREMENTS | | | | |
| Financial assets | | | | |
| Financial assets at fair value through other comprehensive income | | | | |
| AI-Hail ORIX Finance PSC | - | - | 188,177,948 | 188,177,948 |
| Ordinary shares-unlisted | - | - | 13,936,822 | 13,936,822 |
| Financial assets at fair value through profit or loss | | | | |
| Treasury bills | - | 380,501,894 | - | 380,501,894 |
| Units of collective investment scheme | 10,988,800 | - | - | 10,988,800 |
| Non-financial assets | | | | |
| Fixed assets (Leasehold land & building) | - | - | 396,621,405 | 396,621,405 |
| Total | 10,988,800 | 380,501,894 | 598,736,175 | 990,226,869 |

| | (Un-audited) | |
|-------------------------------------|--------------------------|-------------------|
| | Nine months period ended | |
| | March 31, 2020 | March 31, 2019 |
| | -----Rupees----- | |
| 24 CASH AND CASH EQUIVALENTS | | |
| Cash at bank | 725,747,336 | 474,127,409 |
| Cash in hand | 1,772,243 | 1,757,351 |
| | 727,519,579 | 475,884,760 |
| Running finance arrangements | (1,248,003,053) | (953,605,803) |
| | (520,483,474) | (477,721,043) |

25 EARNINGS PER SHARE - basic and diluted

| | | |
|---|--------------------------------|-------------|
| Profit for the period after taxation attributable to ordinary shareholders of the Holding Company | 674,967,480 | 751,634,802 |
| | ----- (Number of Shares) ----- | |
| Weighted average number of ordinary shares | 167,054,902 | 167,054,902 |
| | ----- (Rupees) ----- | |
| Earnings per share - basic and diluted | 4.04 | 4.50 |

25.1 Diluted earnings per share has not been presented separately as the Holding Company does not have any convertible instruments in issue as at March 31, 2020 and March 31, 2019, which would have any effect on the earnings per share if the option to convert is exercised.

26 GENERAL

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

26.2 Figures reported in these consolidated condensed interim financial statements have been rounded off to the nearest Rupee unless otherwise stated.

27 DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements was authorised for issue on April 30, 2020 by the Board of Directors of the Holding Company.

Chief Executive Officer

Director

Chief Financial Officer

ڈائریکٹران کی جائزہ رپورٹ برائے نو ماہی مدت ختمہ 31 مارچ 2020

اور کس لیزنگ پاکستان لمیٹڈ (OLP / دی کمپنی) غیر آڈٹ شدہ اختصاری عبوری مالیاتی کوشارے برائے نو ماہی مدت ختمہ 31 مارچ 2020 پیش کرتے ہوئے اظہار مسرت کرتا ہے۔

کورونا وائرس وباء کے پھیلاؤ کی وجہ سے پاکستان کو سخت معاشی مشکلات کا سامنا ہے۔ نتیجے میں ہونے والی بندش سے تمام بڑے شعبوں بشمول برآمدات اور چھوٹے درمیانی کاروبار کو شدید متاثر ہو رہے ہیں۔ نقدی کے بہاؤ میں آسانی اور کاروباری روانیت میں بہتری کے لئے اسٹیٹ بینک آف پاکستان نے اپنے پالیسی نرخ میں 4.25 فیصد کمی کر کے 9 فیصد کر دیا ہے اور مالیاتی اداروں کو قرض لینے والوں سے ادائیگیاں موخر کرنے کی اجازت دے دی ہے۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے بھی اسی قسم کے ضوابط مان بینک فنانس کمپنیز کے لئے متعارف کروائے ہیں۔ IMF سے 1.4 بلین یو ایس ڈالر کی نئی قرضہ کی سہولت اور IMF، ورلڈ بینک اور G20 ممالک کی جانب سے قرضوں کی واپسی کو موخر کرنے کی وجہ سے ملک کو موجودہ بحران سے نکلنے میں مدد ملے گی۔

مالیاتی جھلکیاں اور کاروباری جائزہ

| نو ماہی مدت ختمہ | | |
|------------------|---------------|---|
| مارچ 2019 | مارچ 2020 | |
| — روپے — | | |
| 1,086,331,678 | 968,086,745 | منافع قبل از محصول (ٹیکس) |
| 321,956,453 | 284,720,484 | محصولات (ٹیکس) |
| 764,375,225 | 683,366,261 | خالص منافع برائے مدت بعد از محصول (ٹیکس) |
| 4.58 | 4.09 | فی شیر آمدنی - بنیادی اور رقیق شدہ |
| 1,670,549,020 | 1,670,549,020 | جاری کردہ، سبسکرائبڈ اور ادا شدہ سرمایہ (10 روپے فی شیئر) |

اختصاص اور ٹیکس سے قبل کاروباری منافع میں 10 فیصد اضافہ ہوا جو کہ 1,017 ملین روپے رہا (مارچ 2019 میں 923 ملین روپے) تھا۔ تاہم منافع قبل از ٹیکس 1,086 ملین روپے رہا جو کہ گزشتہ سال اسی مدت کے 1,086 ملین روپے سے 11 فیصد کم ہے۔ اس میں کمی کی وجہ گزشتہ مدت میں شمار یاتی بنیاد پر اختصاصی طریقہ کار کو اختیار کرنے کے تحت 163 ملین روپے کے اختصاص کی معکوس تھا۔ دوسرا بڑا عنصر موجودہ

مدت میں بڑھتے ہوئے زائد از معیاد کھاتے کے لئے 49 ملین روپے کا اختصاص تھا۔ منافع بعد از ٹیکس 683 ملین روپے (مارچ 2019 میں 764 ملین روپے) رہا جو کہ 11 فیصد کم ہے۔

ادا نیگیوں Disbursement میں کٹوتی کی گئی اس مدت کے لیے 8,743 ملین روپے کے مقابلے میں 15% کم رہی جبکہ گزشتہ مدت FY2019 میں 10,285 ملین روپے کی ادا نیگیاں تھیں۔ ادا نیگیوں کا توازن مارچ 2020 میں لاک ڈاؤن کے سبب کم رہا۔

لیز اور قرض کے پورٹ فولیو جو کہ جون 2019 کو 22.6 بلین روپے تھے 31 مارچ 2020 کو کم ہو کر 20.9 بلین روپے ہو گئے لیکن اس کے باوجود کل محصولات میں 14 فیصد اضافہ ہوا جو کہ بڑھ کر 3,479 ملین روپے ہو گئے (مارچ 2019 میں 3,061 ملین روپے) ہو گئے۔ اس کی بنیادی وجہ رپورٹنگ کی زیادہ مدت کے دوران شرح سود میں تیز ترین اضافہ تھا۔

ملک میں بلند شرح سود کی عکاسی 1,437 روپے (مارچ 2019 میں 1,113 ملین روپے) کی مالیاتی لاگت سے ہوتی ہے جو کہ گزشتہ سال کی نسبت 29 فیصد زیادہ ہے

انتظامی اور عمومی اخراجات قابو میں رکھنے کی وجہ سے اخراجات 899 ملین روپے رہے جو کہ گزشتہ سال کی اسی مدت کے 887 ملین روپے سے صرف 1% زیادہ ہے۔

زائد از معیاد کھاتوں میں گزشتہ چند ماہ میں اضافہ ہوا ہے اور توقع ہے کہ وہاں کے اثرات کی وجہ سے عدم ادا نیگی کی شرح مزید بڑھے گی۔ احتیاطی بنیاد پر پرانے قرضوں کے لئے FY2020 کے پہلے نو ماہ میں 49 ملین روپے کا اختصاص کیا گیا ہے جبکہ گزشتہ مدت میں شمار یاتی بنیاد پر اختصاصی طریقہ کار کے تحت 163 ملین روپے کا استرداد (Reversal) کیا گیا تھا۔

حالات کی غیر یقینی اور وہاں کے حتمی معاشی اثرات کی پیشگوئی مشکل ہے جس کے لئے کمپنی اثرات / ازالہ کی تشخیص کے لئے وسیع پیمانے پر اپنے پورٹ فولیو کی تشخیص کر رہی ہے تاکہ اختصاص اور مستقبل میں نقدی کے بہاؤ کے ممکنہ برے اثرات کا تعین کیا جاسکے۔ موجودہ مالیاتی سال میں لاک ڈاؤن (بندش) کے مکمل مضمرات اور کمپنی کے منافع پر اس کے اثرات کا واضح تعین آنے والے چند ماہ میں ہوگا۔ اب دیکھنا یہ ہے کہ حکومتی اقدامات کاروبار کو اپنے راستے پر گامزن کرنے کے لئے کس حد تک کافی ثابت ہوں گے۔ OLP بھی احتیاطی اقدامات اختیار کر کے اپنے ملازمین کی صحت اور تحفظ کو یقینی بناتے ہوئے اپنے کاروبار کو جاری رکھنے کے لئے مکمل طور پر کوشاں ہے۔

گروپ کی کارکردگی

کمپنیز ایکٹ 2017 کی دفعہ 227 کی پاسداری کے تحت اس رپورٹ کے ساتھ OLP اور اس کی ذیلی کمپنیوں بنام اورکس سرورسز (پرائیویٹ) لمیٹڈ اور اورکس مضاربہ (گروپ) کی مجموعی اختصاری عبوری مالیاتی معلومات برائے نو ماہی مدت مختتمہ 31 مارچ 2020 منسلک ہیں۔

گروپ کی کارکردگی پر مالیاتی جھلکیاں درج ذیل ہیں:

| نو ماہی مدت مختتمہ | | |
|--------------------|---------------|--|
| مارچ 2019 | مارچ 2020 | |
| — روپے — | | |
| 1,125,326,116 | 1,022,063,227 | منافع قبل از محصول (ٹیکس) |
| 323,841,136 | 284,720,484 | محصولات (ٹیکس) |
| 801,484,980 | 737,342,743 | مدت کے لئے خالص منافع بعد از محصول (ٹیکس) |
| 751,634,802 | 674,967,480 | بالا دست کمپنی کے ایکویٹی حصص یافتگان سے منسوب منافع |
| 49,850,178 | 62,375,263 | تغیر پذیر شرح سود سے منسوب منافع |
| 4.50 | 4.04 | فی شیئر آمدنی - بنیادی اور رقیق شدہ |

منجانب بورڈ

K. H. =

خالد عزیز مرزا

چیئر مین

شاہین امین

چیف ایگزیکٹو آفیسر

چیف ایگزیکٹو آفیسر

30 اپریل 2020