

Towering **Strength**



OLP

OLP FINANCIAL SERVICES PAKISTAN LIMITED

First Quarter Report

2024

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COMPANY PROFILE

OLP Financial Services Pakistan Limited (OLP) was established in July 1986 as a joint venture between ORIX Corporation, Japan and local investors. The Company is listed on the Pakistan Stock Exchange.

OLP is headquartered in Karachi and has 36 branches situated in 33 cities. Its major shareholder is ORIX Corporation (ORIX) having 49.58% shareholding. Established in 1964, ORIX is one of Japan's leading integrated financial services groups with operations in 28 countries worldwide. The group has experience of 59 years of operations and has a total asset base of Yen (¥) 15,584 billion and equity of ¥ 3,643 billion as at June 30, 2023, which equates to US\$ 108 billion and US\$ 25 billion respectively.

OLP offers value-added financial products and innovative customized services to a wide array of customers under the umbrella of Investment Finance Services throughout Pakistan. The blend of international experience and local expertise acquired over the last 37 years provides OLP a distinctive competitive edge.

PARENT SUBSIDIARIES & ASSOCIATES

PARENT COMPANY

ORIX Corporation

Tokyo Headquarters, World Trade Center Building, 2-4-1, Hamamatsu-cho Minato-ku,
Tokyo 105-6135, Japan
Tel:(81)-3-3435-3145
Fax:(81)-3-3435-3163
www.orix.co.jp

SUBSIDIARIES

OLP Services Pakistan (Private) Limited

Office 601, 6th Floor, Syedna Tahir Saifuddin
Memorial Trust Building Civil Lines, Beaumont
Road, Karachi, Pakistan
Tel: (021) 35930000

OLP Modaraba

Office 601, 6th Floor, Syedna Tahir Saifuddin
Memorial Trust Building Civil Lines, Beaumont
Road, Karachi, Pakistan
Tel: (021) 35930000
www.olpmodaraba.com

ASSOCIATED COMPANIES

Yanal Finance Company (Formerly Saudi ORIX Leasing Company)

3612, Prince Fawaz Bin Abdul Aziz,
Postal code 12813, Riyadh 7997,
Kingdom of Saudi Arabia
Tel: (9661) 2997777
www.yanal.com

SAMA Finance SAE (Formerly ORIX Leasing Egypt SAE)

5th Floor, Cairo Center Building, 2, Abd El Kader
Hamza Street, Garden City, Cairo 11461, Egypt
Tel: (202) 27922757-9
Fax: (202) 27922760
www.samafinance.com

COMPANY INFORMATION

Board of Directors



Mr. Khalid Aziz Mirza
Chairman and Independent
Non-Executive Director



Mr. Yoshiaki Matsuoka
Non-Executive Director



Mr. Rashid Ahmed Jafer
Independent Non-Executive
Director



Ms. Keiko Watanabe
Non-Executive Director



Ms. Mika Takeda
Non-Executive Director



Mr. Shaheen Amin
Chief Executive Officer
and Executive Director



Mr. Ramon Alfrey
Deputy Chief Executive Officer,
CFO and Executive Director

Audit and Risk Committee

Mr. Rashid Ahmed Jafer – Chairman
Ms. Keiko Watanabe
Ms. Mika Takeda
Mr. Ramon Alfrey

Human Resource Nomination and Remuneration Committee

Mr. Khalid Aziz Mirza – Chairman
Mr. Yoshiaki Matsuoka
Mr. Shaheen Amin

Credit Committee

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

Chief Financial Officer

Mr. Ramon Alfrey

Company Secretary

Mr. Haider Abbas Kalhar

Head of Internal Audit and Secretary to Audit Committee

Mr. Nadeem Amir Ali

Head of Compliance

Mr. Rashid Ahmed

Credit Rating by PACRA

Long term entity rating AA+
Short term entity rating A1+

Legal Advisors

M/s Mansoor Ahmad Khan & Co.

Auditors

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

Registrar and Share Transfer Office

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

Shariah Advisor

Al Hamd Shariah Advisory Services
(Pvt.) Limited

Banks and Lending Institutions

1. Allied Bank Limited
2. Askari Bank Limited
3. Bank Al Habib Limited
4. Bank Alfalah Limited
5. Faysal Bank Limited
6. Habib Bank Limited
7. Habib Metropolitan Bank Limited
8. JS Bank Limited
9. Karandaaz Pakistan
10. MCB Bank Limited
11. Meezan Bank Limited
12. SCB (Pakistan) Limited
13. Telenor Microfinance Bank
14. United Bank Limited

Registered and Head Office

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

MEET THE TEAM



Mr. Shaheen Amin
Chief Executive Officer



Mian Faysal Riaz
Chief Operating Officer



Mr. Waqas Ahmed Khwaja
Head - Marketing



Mr. Fahad Shahzad Memon
Head - Consumer Auto Division



Mr. Shah Suleman Fareed
Head - Term Finance and
Insurance Division



Mr. Shafiq Ur Rehman
Head - Credit Risk
Management



Mr. Ramon Alfrey
Deputy Chief Executive Officer
and CFO



Mr. Imtiaz Chaudhry
Group General Manager



Mr. Tahir Ali Shah
Head - Commercial
Vehicle Division



Ms. Aseya Qasim
Head - Micro Finance
Division



Mr. Abid Hussain Awan
Head - Group Strategy and
Planning



Mr. Hamood Ahmed
Head - Business Control



Mr. Haider Abbas Kalhar
Company Secretary



Mr. Mashooque Ali Bhatti
Head - HR



Mr. Muhammad Ikram
Head - Information Systems



Ms. Fauzia Noorani
Head - Legal



Mr. Nadeem Amir Ali
Head - Internal Audit



Mr. Muhammad Aslam
Head - Special
Asset Management



Mr. Rashid Ahmed
Head - Compliance



Mr. Mamoon Ishaq
Head - Administration

Directors' Review Report

For the quarter ended September 30, 2023

The Board of Directors of OLP Financial Services Pakistan Limited (OLP / the Company) is pleased to present the unaudited condensed interim financial statements for the first quarter ended September 30, 2023.

Economic Review

Economic conditions of the Country remained volatile in the first quarter of the new fiscal year. During the quarter, rising electricity and fuel prices contributed to average inflation increasing to 29% as compared to 25% in the same period last year. Large scale manufacturing sector, which contracted by 10.3% in FY2023, showed slight improvement in the first two months of the new fiscal year. However, growth was experienced in few sectors while others, like automobile and textile sectors, showed negative growth.

The rupee showed a turnaround since start of September 2023 when it touched Rs. 308 against US Dollar. Since then it has appreciated to Rs. 276 per USD and remained the best performing currency in the month of September 2023. The effects of currency appreciation have already been felt as the Government has decreased fuel prices by cumulative Rs. 48 in October 2023. This decrease is expected to reduce inflationary pressure in coming months.

The State Bank of Pakistan (SBP) kept the policy rate unchanged at 22% in its meeting held in September 2023. In anticipation of a rate hike, the 3-month Karachi Interbank Offer Rate (KIBOR) had reached 24.04% on September 14, 2023. However, the SBP, in its monetary policy meeting on that date, kept the policy rate unchanged at 22%. Consequently, KIBOR reverted to 22.4%.

Financial Highlights and Business Review

	Quarter ended	
	September 2023	September 2022
	-----Rupees----- -----	
Profit before taxation	620,120,520	404,593,810
Taxation	241,483,935	138,611,786
Net profit for the period after taxation	378,636,585	265,982,024
Earnings per share – basic and diluted	2.16	1.52

OLP has reported profit before tax (PBT) of Rs. 620 million for the first quarter of FY2023; 53% higher than the PBT of Rs. 405 million for the same period last year. The higher profit was mainly due to higher revenue of Rs. 1,983 million, up by 33% from revenue of Rs. 1,489 million

for same period last year. Profit after tax (PAT) at Rs. 379 million was 42% higher than PAT of Rs. 266 million for the same period last year.

Income from operations at Rs. 1,725 million for Q1FY2024 was 36% higher than the income of Rs. 1,272 million for the same period last year. The increase in income was mainly attributable to higher interest rates prevailing in this quarter. Other income also increased by 18% to Rs. 231 million from Rs. 196 million in the corresponding quarter last year. The increase was mainly due to higher returns on investment in government securities of Rs. 2.6 billion as of September 30, 2023 (September 30, 2022: Rs. 2.5 billion). These investments are being maintained to ensure adequate liquidity in uncertain economic conditions.

Total expenses increased by 30% to Rs.1,365 million during the quarter as compared to Rs. 1,047 million in the corresponding quarter last year. Higher interest rates during the current period resulted in finance cost increasing to Rs. 969 million which was 41% higher than the comparative period last year (Q1FY23: Rs. 687 million). Administrative and general expenses at Rs. 391 million were 12% higher than expenses of Rs. 350 million in the corresponding period mainly due to increase in staff related expenses.

Reversal in provision for bad debts of Rs. 2 million was made for the period as compared to a provision of Rs. 38 million in the same period last year. Provision has been made as per OLP's provisioning model which is in compliance with IFRS 9 requirements.

Tax expense for the period at Rs. 241 million was 74% higher than last year (Q1FY23: Rs. 139 million). The Federal Government through Finance Act, 2023 had made amendments in the rate of super tax. Companies having annual income in excess of Rs. 500 million are required to pay super tax at the rate of 10% (Q1FY23: 4%). In line with these changes, higher tax expense was recorded for the reported period.

Future Outlook

Economic conditions are expected to remain challenging during the current financial year. The IMF has projected GDP growth of 2.5% for FY2024, however, downside risks persist for the economy, including risks from global price shocks. OLP is closely monitoring the situation and will remain cautious in writing new business. As interest rates are expected to remain high during the year, maintaining quality of existing portfolio will be imperative for future success.

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 – OLP Services Pakistan (Private) Limited and OLP Modaraba – for the quarter ended September 30, 2023.

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

	Quarter ended	
	September 2023	September 2022
	-----Rupees----- ----	
Profit before taxation	694,656,626	418,743,719
Taxation	264,712,859	148,667,237
Net profit for the period after taxation	429,943,767	270,076,482
Profit attributable to equity shareholders of the Holding Company	397,784,684	252,838,811
Profit attributable to non-controlling interest	32,159,083	17,237,671
Earnings per share – basic and diluted	2.27	1.44

On behalf of the Board:



Shaheen Amin
Chief Executive Officer



Rashid Ahmed Jafer
Director

October 27, 2023

گروپ کی کارکردگی کی مالیاتی جھلکیاں درج ذیل ہیں:

اختتامی سہ ماہی

30 ستمبر 2022ء (روپے)	30 ستمبر 2023ء (روپے)	
418,743,719	694,656,626	قبل از ٹیکس منافع
148,667,237	264,712,859	ٹیکس
270,076,482	429,943,767	بعد از ٹیکس خالص منافع
252,838,811	397,784,684	ہولڈنگ کمپنی کے ایکویٹی حصص یافتگان سے منسوب منافع
17,237,671	32,159,083	نان کنٹرولنگ حصہ داری سے قبل منسوب منافع
1.44	2.27	فی حصص آمدنی - بنیادی اور رقیق (diluted)

از طرف بورڈ



ڈائریکٹر



چیف ایگزیکٹو آفیسر

27 اکتوبر 2023ء

گزشتہ سال کی اسی مدت کے 38 ملین روپے کے پرویشن کے مقابلے میں 2 ملین روپے کا پرویشن ریورسلن کیا گیا ہے۔
پرویشن OLP کے پرویشننگ ماڈل کے مطابق کیا گیا ہے جو IFRS کے تقاضوں کے عین مطابق ہے۔

ٹیکس اخراجات 241 ملین روپے رہے جو کہ گزشتہ سال (Q1FY23: 139 ملین روپے) سے 74 فیصد کا اضافہ ہے۔ وفاقی حکومت نے فنانس ایکٹ 2023 کے ذریعے سپر ٹیکس کی شرح میں ترامیم کی تھیں۔ وہ کمپنیاں جن کی سالانہ آمدنی 500 ملین روپے سے زائد ہے انہیں 10 فیصد (Q1FY23: 4 فیصد) کی شرح سے سپر ٹیکس ادا کرنا ہوگا۔ ان تبدیلیوں کے مطابق، اس مدت کیلئے زیادہ ٹیکس اخراجات ریکارڈ کئے گئے۔

مستقبل کا منظر نامہ:

موجودہ مالی سال کے دوران معاشی حالات چیلنجنگ رہنے کی توقع ہے۔ بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) نے مالی سال 2024 کے لیے جی ڈی پی کی شرح نمو 2.5 فیصد رہنے کی پیش گوئی کی ہے۔ بہر حال، معیشت کے لیے منفی پہلو کے خطرات بشمول عالمی قیمتوں کے اتار چڑھاؤ سے پیدا ہونے والے خطرات بدستور موجود ہیں۔ OLP صورت حال کا بغور مشاہدہ کر رہا ہے اور نئے کاروباری منصوبے شروع کرنے میں احتیاط کرے گا۔ سال بھر میں بلند شرح سود کی متوقع برقراری کے پیش نظر، موجودہ پورٹ فولیو کے معیار کو برقرار رکھنا مستقبل کی کامیابی کو یقینی بنانے کے لیے اہم ہوگا۔

گروپ کی کارکردگی:

کمپنیز ایکٹ 2017 کے سیکشن 227 کے مطابق، ہم نے OLP اور اس کے ذیلی اداروں (جسے گروپ کہا جاتا ہے) کی مشترکہ عبوری مالیاتی معلومات کو منسلک کیا ہے، جس میں OLP سروسز پاکستان (پرائیویٹ) لمیٹڈ اور OLP مضاربہ شامل ہیں۔ یہ مالی معلومات 30 ستمبر 2023 کو ختم ہونے والی سہ ماہی سے متعلق ہیں۔

مالیاتی نتائج اور کاروباری جائزہ

اختتامی سہ ماہی

30 ستمبر 2022ء (روپے)	30 ستمبر 2023ء (روپے)	
404,593,810	620,120,520	قبل از ٹیکس منافع
138,611,786	241,483,935	ٹیکس
265,982,024	378,636,585	بعد از ٹیکس خالص منافع
1.52	2.16	فی حصص آمدنی۔ بنیادی اور رقیق (diluted)

مالی سال 2023 کی پہلی سہ ماہی میں OLP کا قبل از ٹیکس منافع گزشتہ سال کی اسی مدت کے 405 ملین روپے سے بڑھ کر 620 ملین روپے ہو گیا جو کہ 53 فیصد کا اضافہ ہے۔ یہ منافع بنیادی طور پر مجموعی آمدنی میں اضافے کی وجہ سے ہوا جو گزشتہ سال کی اسی مدت کے 1,489 ملین روپے سے بڑھ کر 1,983 ملین روپے ہو گئی جو کہ 33 فیصد کا اضافہ ہے۔ بعد از ٹیکس منافع گزشتہ سال کے 266 ملین روپے سے بڑھ کر 379 ملین روپے ہو گیا جو کہ 42 فیصد کا اضافہ ہے۔

سال 2024 کی پہلی سہ ماہی کیلئے 1,725 ملین روپے پر آپریشنز سے ہونے والی آمدنی گزشتہ سال کی اسی مدت کے لیے 1,272 ملین روپے کی آمدنی سے 36 فیصد زیادہ تھی۔ آمدنی میں اضافہ بنیادی طور پر اس سہ ماہی میں زیادہ شرح سود سے منسوب تھا۔ دیگر آمدنی بھی گزشتہ سال کی اسی سہ ماہی میں 196 ملین روپے سے بڑھ کر 231 ملین روپے ہو گئی جو کہ 18 فیصد کا اضافہ ہے۔ یہ اضافہ بنیادی طور پر 30 ستمبر 2023 (30 ستمبر 2022: 2.5 بلین روپے) تک 2.6 بلین روپے کی Government Securities میں سرمایہ کاری پر زیادہ منافع کی وجہ سے ہوا۔ یہ سرمایہ کاری غیر یقینی معاشی حالات میں مناسب لیکویڈیٹی کو یقینی بنانے کے لیے کی جا رہی ہے۔

اس سہ ماہی کے دوران کل اخراجات گزشتہ سال کی اسی سہ ماہی کے 1,047 ملین روپے سے 1,365 ملین روپے ہو گئے جو کہ 30 فیصد کا اضافہ ہے۔ موجودہ مدت کے دوران زیادہ شرح سود کے نتیجے میں مالیاتی لاگت بڑھ کر 969 ملین روپے ہو گئی جو کہ گزشتہ سال کی تقابلی مدت (Q1FY23: 687 ملین روپے) سے 41 فیصد زیادہ تھی۔ انتظامی اور عمومی اخراجات 391 ملین روپے سے بڑھ کر 350 ملین روپے ہو گئے جو کہ 12 فیصد کا اضافہ ہے۔ یہ اضافہ بنیادی طور پر عملے سے متعلق اخراجات میں اضافہ کے باعث ہوا۔

ڈائریکٹرز کی جائزہ رپورٹ برائے اختتام سرمایہ 30 ستمبر 2023ء :

اولیل پی فنانشل سروسز پاکستان لمیٹڈ (OLP / کمپنی) کے بورڈ آف ڈائریکٹرز 30 ستمبر 2023ء کو اختتام پذیر ہونے والی سہ ماہی کیلئے غیر آڈٹ شدہ عبوری مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

اقتصادی جائزہ:

نئے مالی سال کی پہلی سہ ماہی میں ملک کی معاشی صورتحال غیر مستحکم رہی۔ سہ ماہی کے دوران، بجلی اور ایندھن کی قیمتوں میں اضافے نے مہنگائی کو 29 فیصد تک پہنچا دیا جو گزشتہ سال کی اسی مدت میں 25 فیصد تھا۔ مالی سال 2023 میں Large scale مینوفیکچرنگ کے شعبہ میں 10.3 فیصد کمی ہوئی، جبکہ نئے مالی سال کے پہلے دو مہینوں میں معمولی بہتری دکھائی دی۔ تاہم، چند شعبوں میں شرح نمو مثبت رہی جبکہ دیگر شعبے جیسا کہ آٹوموبائل اور ٹیکسٹائل کے شعبوں میں شرح نمو منفی رہی۔

ستمبر 2023 کے آغاز سے روپے کی سمت میں ایک اہم تبدیلی آئی، جب یہ امریکی ڈالر کے مقابلے 308 تک پہنچ گیا۔ اس وقت سے، یہ مضبوط ہو کر 276 فی امریکی ڈالر ہو گیا ہے اور ستمبر 2023 میں سب سے زیادہ کارکردگی دکھانے والی کرنسی کے طور پر ابھرا۔ کرنسی کی اس قدر میں اضافے کا اثر پہلے ہی واضح ہو چکا ہے، کیونکہ حکومت نے اکتوبر 2023 میں ایندھن کی قیمتوں میں مجموعی طور پر 48 روپے کی کمی کی ہے۔ توقع ہے کہ آنے والے مہینوں میں اس کمی کے باعث افراط زر کے دباؤ میں کمی آئے گی۔

ستمبر 2023 میں اسٹیٹ بینک آف پاکستان (SBP) نے اپنے اجلاس میں پالیسی شرح کو 22 فیصد پر برقرار رکھنے کا فیصلہ کیا۔ ممکنہ شرح میں اضافے کی توقع میں، 14 ستمبر 2023 کو 3 ماہ کا کراچی انٹر بینک آفر ریٹ (KIBOR) 24.04 فیصد تک بڑھ گیا تھا۔ تاہم، اسٹیٹ بینک نے اس تاریخ کو اپنی مانیٹری پالیسی اجلاس میں پالیسی شرح کو 22 فیصد پر برقرار رکھا۔ جس کے نتیجے میں KIBOR 22.4 فیصد پر واپس آ گیا۔

OLP FINANCIAL SERVICES PAKISTAN LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

		(Un-audited) September 30, 2023	(Audited) June 30, 2023
	Note	(Rupees)	
ASSETS			
Non-current assets			
Fixed assets	5	1,287,198,432	1,265,875,514
Intangible assets	6	1,172,291	1,338,374
Net investment in finance lease	7	11,319,953,654	11,962,400,718
Current maturity		(5,990,357,385)	(6,085,689,467)
Allowance for potential lease losses		(131,186,478)	(142,820,838)
		(6,121,543,863)	(6,228,510,305)
		5,198,409,791	5,733,890,413
Investment in subsidiaries		322,374,294	322,374,294
Investment in associate		1,755,709,936	1,718,529,322
Long-term investments	8	-	-
Long-term finances and loans		7,294,076,857	7,270,780,461
Long-term deposits		12,863,566	11,213,566
Defined benefit plan asset		6,118,331	6,118,331
		15,877,923,498	16,330,120,275
Current assets			
Short-term finances		43,092,539	42,392,159
Current maturity of non-current assets	9	12,562,930,834	12,603,884,172
Short-term investments	10	2,652,758,182	2,448,177,114
Advances and prepayments		40,105,369	28,713,523
Other receivables		124,306,791	89,815,350
Cash and bank balances	24	338,318,424	145,389,228
		15,761,512,139	15,358,371,546
Assets classified as held for sale	11	264,747,437	264,747,437
		31,904,183,074	31,953,239,258
Total assets			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital 350,000,000 (June 30, 2022: 350,000,000) ordinary shares of Rs.10 each		3,500,000,000	3,500,000,000
Issued, subscribed and paid-up capital	12	1,754,076,470	1,754,076,470
Reserves		8,423,498,106	8,039,927,726
		10,177,574,576	9,794,004,196
Non-current liabilities			
Long-term finances	13	8,527,785,582	8,822,351,900
Long-term certificates of deposit		781,893,304	989,747,273
Deferred taxation		601,909,584	623,278,254
Other long-term liabilities		172,219,109	193,792,585
		10,083,807,579	10,629,170,012
Current liabilities			
Trade and other payables		1,584,496,984	1,187,194,008
Unpaid dividend		321,753,904	482,630,856
Unclaimed dividend		33,409,882	33,634,185
Short-term borrowings	14	591,699,135	860,821,168
Short-term certificates of deposit		3,159,778,827	3,310,914,290
Taxation - net		318,505,281	318,501,393
Current maturity of non-current liabilities	15	5,633,156,906	5,336,369,150
		11,642,800,919	11,530,065,050
		31,904,183,074	31,953,239,258
Total equity and liabilities			
Contingencies and commitments			
	16		

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


Chief Executive Officer


Director


Chief Financial Officer

OLP FINANCIAL SERVICES PAKISTAN LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Note	For the quarter ended	
		September 30, 2023	September 30, 2022
(Rupees)			
INCOME			
Income from operations			
Mark-up on finance leases		762,411,159	652,004,996
Mark-up on finances and loans		962,489,202	619,500,504
		<u>1,724,900,361</u>	<u>1,271,505,500</u>
Income from other activities			
Other income - net	17	231,491,639	195,506,520
Share of profit from associate	18	26,953,749	22,443,709
		<u>258,445,388</u>	<u>217,950,229</u>
		<u>1,983,345,749</u>	<u>1,489,455,729</u>
EXPENSES			
Finance cost	19	968,668,571	687,039,920
Administrative and general expenses		391,206,316	349,750,864
Direct cost		5,510,077	9,921,725
		<u>1,365,384,964</u>	<u>1,046,712,509</u>
Profit before provision and taxation		<u>617,960,785</u>	<u>442,743,220</u>
(Reversal of provision) / provision for potential lease and other loan losses - net		(13,520,696)	32,451,189
Other provision -net	20	11,360,961	5,698,221
		<u>(2,159,735)</u>	<u>38,149,410</u>
Profit before taxation		<u>620,120,520</u>	<u>404,593,810</u>
Taxation - Current		265,925,688	175,643,691
- Deferred		(24,441,753)	(37,031,905)
		<u>241,483,935</u>	<u>138,611,786</u>
Profit for the period after taxation		<u><u>378,636,585</u></u>	<u><u>265,982,024</u></u>
Earnings per share - basic and diluted	25	<u><u>2.16</u></u>	<u><u>1.52</u></u>

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


 Chief Executive Officer


 Director


 Chief Financial Officer

OLP FINANCIAL SERVICES PAKISTAN LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	For the quarter ended	
	September 30, 2023	September 30, 2022
	----- (Rupees) -----	
Profit for the period after taxation	378,636,585	265,982,024
Other comprehensive income / (loss)		
<i>Items that will be reclassified to the unconsolidated statement of profit or loss</i>		
- Exchange gain arising on translation of foreign associate	9,761,006	137,573,683
- Deferred tax on exchange gain arising on translation of foreign associates	(3,757,193)	(45,366,085)
	6,003,813	92,207,598
<i>Items that will not be subsequently reclassified to statement of profit or loss</i>		
- Fair value changes on remeasurement of financial assets	(2,219,988)	7,460,790
- Deferred tax on fair value changes on remeasurement of financial assets	865,796	(2,462,061)
	(1,354,192)	4,998,729
- Share of other comprehensive income from associate	465,859	476,834
- Deferred tax on share of other comprehensive income from associate	(181,685)	(157,355)
	284,174	319,479
Total comprehensive income for the period	<u>383,570,380</u>	<u>363,507,830</u>

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



Chief Executive Officer



Director



Chief Financial Officer

OLP FINANCIAL SERVICES PAKISTAN LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	Reserves							Total shareholders equity	
	Capital reserves					Unappropriated profit	Total reserves		
	Issued, subscribed and paid-up capital	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
----- (Rupees) -----									
Balance as at July 1, 2022 (audited)	1,754,076,470	1,501,683,073	1,827,052,323	372,318,171	(179,968,379)	823,611,567	2,815,408,015	7,160,104,770	8,914,181,240
Total comprehensive income for the three months ended September 30, 2022									
Profit for the period	-	-	-	-	-	-	265,982,024	265,982,024	265,982,024
Other comprehensive income	-	-	-	92,207,598	4,998,729	-	319,479	97,525,806	97,525,806
Total comprehensive income for the period	-	-	-	92,207,598	4,998,729	-	266,301,503	363,507,830	363,507,830
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	-	-	-	(5,113,404)	5,113,404	-	-
Deferred tax on transfer of surplus on revaluation of fixed assets on account of incremental depreciation	-	-	-	-	-	618,462	(618,462)	-	-
	-	-	-	-	-	(4,494,942)	4,494,942	-	-
Balance as at September 30, 2022 (un-audited)	1,754,076,470	1,501,683,073	1,827,052,323	464,525,769	(174,969,650)	819,116,625	3,086,204,460	7,523,612,600	9,277,689,070
Balance as at July 1, 2023 (audited)	1,754,076,470	1,501,683,073	1,887,588,963	641,001,426	2,956,489	922,051,255	3,084,646,520	8,039,927,726	9,794,004,196
Total comprehensive income for the three months ended September 30, 2023									
Profit for the period	-	-	-	-	-	-	378,636,585	378,636,585	378,636,585
Other comprehensive income	-	-	-	6,003,813	(1,354,192)	-	284,174	4,933,795	4,933,795
Total comprehensive income for the period	-	-	-	6,003,813	(1,354,192)	-	378,920,759	383,570,380	383,570,380
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	-	-	-	(7,519,788)	7,519,788	-	-
Deferred tax on transfer of surplus on revaluation of fixed assets on account of incremental depreciation	-	-	-	-	-	1,530,321	(1,530,321)	-	-
	-	-	-	-	-	(5,989,467)	5,989,467	-	-
Balance as at September 30, 2023 (un-audited)	1,754,076,470	1,501,683,073	1,887,588,963	647,005,239	1,602,297	916,061,788	3,469,556,746	8,423,498,106	10,177,574,576

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


 Chief Executive Officer


 Director


 Chief Financial Officer

OLP FINANCIAL SERVICES PAKISTAN LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

		For the quarter ended	
		September 30, 2023	September 30, 2022
		(Rupees)	
Note			
CASH FLOWS FROM OPERATING ACTIVITIES			
	Profit before taxation for the period	620,120,520	404,593,810
Adjustments for:			
	Depreciation and amortisation	26,262,096	27,763,633
	Amortisation of transaction cost	1,961,460	2,142,378
	(Reversal of provision) / provision against potential lease and other loan losses - net	(13,520,696)	32,451,189
	Other provision - net	11,360,961	5,698,221
	Gain on sale on investments - net	(46,532,000)	(19,854,490)
	Charge for defined benefit plan	6,015,915	4,719,310
	Share of profit from associate	(26,953,749)	(22,443,709)
	Fair value changes on remeasurement of financial assets at fair value through profit or loss	(3,580,365)	(768,202)
	Finance cost including bank charges	966,707,111	684,897,542
	Dividend income	(9,076,706)	(9,076,706)
	Return on investments and deposits	(92,607,708)	(81,233,729)
	Gain on disposal of fixed assets	(939,618)	(353,401)
	Other exchange gain - net	-	(939,381)
		<u>819,096,701</u>	<u>623,002,655</u>
	Operating cash flows before working capital changes	1,439,217,221	1,027,596,465
Increase in operating assets			
	Investment in finance lease - net	642,447,064	583,971,900
	Long-term finances and loans - net	(278,824,258)	(947,008,924)
	Short-term finances	(671,427)	(5,075,060)
	Long-term deposits	(1,650,000)	(25,000)
	Advances and prepayments	(11,391,846)	(9,283,247)
	Other receivables	(25,132,736)	(52,461,238)
		<u>324,776,797</u>	<u>(429,881,569)</u>
Decrease in operating liabilities			
	Other long term liabilities - net	(187,046,820)	(119,015,634)
	Trade and other payables	383,510,456	(10,985,785)
		<u>196,463,636</u>	<u>(130,001,419)</u>
	Cash generated from / (used in) operating activities	1,960,457,654	467,713,477
	Payment against staff retirement benefits	(3,866,332)	(4,280,166)
	Income tax paid	(265,921,800)	(141,870,266)
		<u>(269,788,132)</u>	<u>(146,150,432)</u>
	Net cash generated from / (used in) operating activities	1,690,669,522	321,563,045
CASH FLOWS FROM INVESTING ACTIVITIES			
	Capital expenditure incurred - own use and intangible assets	(38,584,565)	(4,034,317)
	Proceeds from disposal of assets - own use	1,531,255	413,496
	Investments - net	81,008,411	(1,413,537,173)
	Interest received	57,917,107	16,791,280
	Net cash used in investing activities	101,872,208	(1,400,366,714)
CASH FLOWS FROM FINANCING ACTIVITIES			
	Proceeds from long term finance	500,000,000	500,000,000
	Certificates of deposit redeemed / issued - net	(234,819,209)	185,212,260
	Repayment of long term loans	(932,986,111)	(1,028,472,222)
	Finance cost paid	(493,414,878)	(496,918,619)
	Payment of lease liability against right-of-use assets	(9,034,128)	(8,333,903)
	Dividend paid	(161,101,255)	(9,668,619)
	Net cash (used in) / generated from financing activities	(1,331,355,581)	(858,181,103)
	Net decrease in cash and cash equivalents	461,186,149	(1,936,984,772)
	Cash and cash equivalents at beginning of the period	(681,992,604)	532,664,730
	Cash and cash equivalents at end of the period	<u>(220,806,455)</u>	<u>(1,404,320,042)</u>

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


Chief Executive Officer


Director


Chief Financial Officer

OLP FINANCIAL SERVICES PAKISTAN LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

1 LEGAL STATUS AND OPERATIONS

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

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

- 1.2 The Pakistan Credit Rating Agency Limited (PACRA) has assigned a long-term rating of AA+ (2022: AA+) and a short-term rating of A1+ (2022: A1+) to the Company on March 03, 2023 (2022: March 03, 2022).

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, which comprise of:

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

Where provisions of and directives issued under the Companies Act, 2017, the IFAS, the NBFC Rules or the NBFC Regulations differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017, the IFAS, the NBFC Rules or the NBFC Regulations have been followed.

2.2 Basis of measurement

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

- Leasehold land and office building are stated at revalued amounts;
- Certain investments are stated at fair value;
- Non-current assets classified as held-for-sale are valued at lower of carrying amount and fair value less cost to sell;
- Obligation in respect of staff gratuity is measured at present value of defined benefit obligation;
- Investment in associate are valued using equity method of accounting; and
- Lease liabilities which have been carried at present value and right-of-use assets which are initially measured at an amount equal to the corresponding lease liabilities (adjusted for any lease payments and certain specified costs) and depreciated over the respective lease terms.

- 2.3 These unconsolidated 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 unconsolidated audited financial statements of the Company for the year ended June 30, 2023.

- 2.4 The comparative unconsolidated condensed interim 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, 2023, whereas the comparative unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows are stated from the unaudited unconsolidated condensed interim financial statements for the quarter ended September 30, 2022.

- 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 audited published unconsolidated financial statements of the Company for the year ended June 30, 2023.

- 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 by the management in applying the Company's accounting policies and the factors used in making those estimates and associated assumptions were the same as those that were applied to the annual audited published unconsolidated financial statements for the year ended June 30, 2023.

- 3.4 **Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year**

There are certain amendments to the standards and new interpretations that are mandatory for accounting periods beginning on or after July 1, 2023 but are considered not to be relevant or do not have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Company's accounting period beginning on July 1, 2024. However, these will not have any significant impact on the Company's operations and, therefore, have not been detailed in these unconsolidated condensed interim financial statements.

4 RISK MANAGEMENT POLICIES

The financial risk management objectives and policies are consistent with those disclosed in the annual audited published unconsolidated financial statements of the Company for the year ended June 30, 2023.

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	----- (Rupees) -----	
5 FIXED ASSETS		
Own use	1,210,218,658	1,191,832,833
Ijarah assets	992,880	1,149,660
Right-of-use asset	75,986,894	72,893,021
	<u>1,287,198,432</u>	<u>1,265,875,514</u>

- 5.1 The following is a statement of cost of additions and disposals to / from fixed assets for the quarter ended September 30, 2023.

	Own use		Asset under Ijarah financing		Right-of-use assets	
	Additions	Disposals	Additions	Write-off	Additions	Disposals
	----- (Rupees) -----					
Right-of-use assets	-	-	-	-	9,426,027	-
Generators / machinery	-	-	-	-	-	-
Leasehold improvements	704,363	-	-	-	-	-
Furniture, fittings and office equipment	1,835,172	406,602	-	-	-	-
Computers and accessories	270,500	121,300	-	-	-	-
Vehicles	35,774,530	1,289,000	-	-	-	-
September 30, 2023	<u>38,584,565</u>	<u>1,816,902</u>	<u>-</u>	<u>-</u>	<u>9,426,027</u>	<u>-</u>
September 30, 2022	<u>2,177,469</u>	<u>3,790,718</u>	<u>-</u>	<u>9,700,000</u>	<u>6,224,687</u>	<u>-</u>

	Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
6 INTANGIBLE ASSETS		----- (Rupees) -----	
Computer software and license	6.1	1,172,291	1,338,374
6.1	Additions amounting to Rs. Nil (September 2022: Rs. 1.8 million) were made to intangible assets during the quarter ended September 30, 2023. No disposals were made during the period.		
	Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
7 NET INVESTMENT IN FINANCE LEASE		----- (Rupees) -----	
Instalment contract receivables		15,138,266,747	15,965,496,335
Residual value		6,574,163,829	6,875,123,327
Less: adjustable security deposits	7.1	(6,564,246,186)	(6,864,775,784)
Gross investment in finance lease	7.2	15,148,184,390	15,975,843,878
Less: unearned finance income		(3,828,230,736)	(4,013,443,160)
Present value of investment in finance lease		<u>11,319,953,654</u>	<u>11,962,400,718</u>
7.1	Security deposit is received from lessees under finance lease contracts which is adjustable at the expiry of the lease period.		
7.2	The Company's implicit rate of return on performing leases ranges from 15.00% to 34.82% (June 30, 2023: 14.6% to 33.78%) per annum. These are secured against leased assets, security deposits averaging 24.20% (June 30, 2023: 24.04%) of the cost of leased assets and personal guarantees.		
	Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
8 LONG-TERM INVESTMENTS		----- (Rupees) -----	
At amortised cost			
Pakistan Investment Bonds (PIBs)		-	203,006,501
Less: current maturity	9	-	(203,006,501)
		<u>-</u>	<u>-</u>
9 CURRENT MATURITY OF NON-CURRENT ASSETS			
Current maturity of:			
Net investment in finance lease		5,990,357,385	6,085,689,467
Allowance for potential lease losses		(524,745,913)	(562,224,766)
		5,465,611,472	5,523,464,701
Long-term investments	8	-	203,006,501
Long-term finances and loans		7,266,852,487	7,001,537,202
Allowance for potential loan losses		(169,533,125)	(124,124,232)
		7,097,319,362	6,877,412,970
		<u>12,562,930,834</u>	<u>12,603,884,172</u>
10 SHORT-TERM INVESTMENTS			
At fair value through profit or loss			
Market treasury bills	10.1	2,638,214,274	2,431,413,219
At fair value through other comprehensive income			
Ordinary shares - unlisted		7,757,077	7,757,077
Ordinary shares - listed		6,786,831	9,006,818
		<u>2,652,758,182</u>	<u>2,448,177,114</u>
10.1	These include investment amounted to Rs. 672,298,739 (June 30, 2023: Rs. 509,908,808) made as required under Regulation 14(4)(g) of the NBFC Regulations to maintain liquidity against certificates of deposit. These are redeemable within a period of 1 to 3 months (June 30, 2023: 1 to 3 month) from the reporting date, carrying yield ranging from 22.75% to 23.40% (June 30, 2023: 21.60% to 21.99%) per annum.		

	Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- (Rupees) -----			
11 ASSETS CLASSIFIED AS HELD FOR SALE			
Repossessed assets	11.1	250,001	250,001
Investments in associates			
- OPP (Private) Limited	11.2	87,754,399	87,754,399
- SAMA Finance SAE (SAMA)	11.3	172,043,037	172,043,037
Stock Exchange room		4,700,000	4,700,000
		264,747,437	264,747,437
		264,747,437	264,747,437

11.1 These represent repossessed assets consisting of vehicle previously leased out to customers. The Company intends to dispose of these assets to recover the balance amount outstanding against such leases.

11.2 The Company holds 45% (2022: 45%) ownership interest in OPP (Private) Limited. During 2014, the Board of Directors of the Company approved divestment of the Company's entire investment in OPP.

The sales negotiations for disposal of investment in OPP were held with a minority shareholder of OPP and a Share Purchase Agreement (SPA) was signed by all the parties in July 2014. However, the minority shareholder had failed to comply with the terms of the SPA and initiated legal proceedings to restrict the Company in managing the affairs of OPP. The Company has also filed a reference in the Lahore High Court to allow the Company to buy out the minority stakeholder in OPP or to wind up OPP which is pending to date.

11.3 The Company holds 23% (2022: 23%) ownership interest in SAMA. The Board of Directors in their meeting held in February 2019 approved divestment of the Company's investment in SAMA. In pursuance of the above, the Company intends to dispose of its investment in SAMA. The sale negotiation for disposal were held and a Sale Purchase Agreement (SPA) was signed on October 17, 2019. However in May 2022, the long stop date was expired and no addendum was signed to extend long stop date. The Board of Director in their meeting held in April 2023 has reiterated their intentions to sale the Company's investment in SAMA. Accordingly, the Company has signed mandate with a consultant to advise and execute sale of investment. The disposal is expected to be completed within a year, subject to necessary regulatory approvals.

12 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

(Un-audited) September 30, 2023	(Audited) June 30, 2023		(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- (Number of shares) -----			----- (Rupees) -----	
		Ordinary shares of Rs. 10 each		
106,485,517	106,485,517	Fully paid in cash	1,064,855,170	1,064,855,170
66,739,592	66,739,592	Fully paid bonus shares	667,395,920	667,395,920
2,182,538	2,182,538	Fully paid shares against amalgamation	21,825,380	21,825,380
175,407,647	175,407,647		1,754,076,470	1,754,076,470
			1,754,076,470	1,754,076,470

	Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- (Rupees) -----			

13 LONG-TERM FINANCES - Secured

Long-term finances utilised under mark-up arrangements - financial institutions	13.1	10,087,847,217	10,520,833,328
Privately placed term finance certificates	13.2	2,625,000,000	2,625,000,000
Accrued interest / mark-up on long term finances		674,045,257	388,743,225
		13,386,892,474	13,534,576,553
Less: unamortised transaction cost		(9,019,968)	(10,981,428)
Less: current maturity	15	(4,850,086,924)	(4,701,243,225)
		(4,859,106,892)	(4,712,224,653)
		8,527,785,582	8,822,351,900

- 13.1** These finances have been obtained for financing of operations and are secured by hypothecation of leased assets, related lease receivables and financing receivables. The mark-up rates thereon range from 22.79% to 23.93% (2023: 17.29% to 23.72%) per annum. These finances are repayable within a period of 36 to 60 months (2023: 36 to 60 months).
- 13.2** The Company has issued rated, privately placed, secured term finance certificates (“TFCs”) as an instrument of redeemable capital. These carry markup of 3 months kibar plus 0.8% and will mature on December 30, 2026 and are secured against hypothecation charge on receivables of the Company.

	Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- (Rupees) -----			
14	SHORT-TERM BORROWINGS		
	From banking companies - secured		
	Running finance arrangements	14.1	559,124,879
	Accrued interest / mark-up on short term borrowings		827,381,832
		<u>32,574,256</u>	<u>33,439,336</u>
		<u>591,699,135</u>	<u>860,821,168</u>

- 14.1** These represent short-term running finance facilities for financing of operations with limits aggregating to Rs. 3,050 million as at September 30, 2023 (June 30, 2023: Rs. 3,050 million). These facilities have been obtained for financing of day to day operations. The rate of mark-up ranges from 23.11% to 24.16% (June 30, 2023: 22.20% to 23.23%) per annum on a daily product basis. These are secured by hypothecation of leased assets, related lease receivables and financing receivables.

	Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- (Rupees) -----			
15	CURRENT MATURITY OF NON-CURRENT LIABILITIES		
	Current maturity of:		
	Long-term finances	13	4,850,086,924
	Long-term certificates of deposit		4,701,243,225
	Lease liability against right-of-use assets		754,318,225
			<u>28,751,757</u>
			<u>5,633,156,906</u>
			<u>5,336,369,150</u>

16 CONTINGENCIES AND COMMITMENTS

- 16.1** There was no change in the status of contingencies, except for the following, as disclosed in the note 29 to the annual audited published unconsolidated financial statements to the Company for the year ended June 30, 2023.

- 16.1.1** During 2017, the Deputy Commissioner Inland Revenue (DCIR) amended the orders for the tax years 2011 and 2014 creating an aggregate demand of Rs 126.2 million mainly on account of difference in determination of minimum tax liability under section 113 of the Ordinance. The Company's appeals against these amended orders before the CIR-A were maintained and were pending adjudication before the ATIR. During May 2021, the Company filed applications for fixation of hearing of these appeals against which hearing was fixed for June 10, 2021. However, the same was deferred and matter was pending for adjudication. The Company obtained a stay order against the recovery of demand from the Sindh High Court (SHC) until adjudication of the appeal by ATIR. The hearing of both years' appeals was held on October 11, 2023 when the case was heard and reserved for order.

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

- 16.2** Commitments relating to capital expenditure at the reporting date amounted to Rs. 4.63 million (June 30, 2023: Rs.0.83 million).

	Note	(Un-audited)	
		For the quarter ended	
		September 30, 2023	September 30, 2022
		----- (Rupees) -----	
17 OTHER INCOME - NET			
Income from financial assets			
Return on investments and deposits		537,923	7,171,868
Interest income on government securities		92,069,785	74,061,861
Gain on sale of investments - net		46,532,000	19,854,490
Dividend income		9,076,706	9,076,706
Operating lease rentals		-	7,251,760
Ijarah finance income		159,339	798,791
Unrealised gain / (loss) on remeasurement of financial assets at fair value through profit or loss - net		3,580,365	(768,202)
		151,956,118	117,447,274
Income from other than financial assets			
Fee and other income		34,748,381	50,278,005
Documentation fee		6,845,921	7,496,132
Gain on disposal of fixed assets		939,618	353,401
Gain on cancellation of leases and finance and loans		36,853,107	18,992,327
Exchange gain / (loss) - net		148,494	939,381
		79,535,521	78,059,246
		231,491,639	195,506,520
18 SHARE OF PROFIT FROM ASSOCIATE			
		(Un-audited)	
		For the quarter ended	
		September 30, 2023	
		September 30, 2022	
Name of associate		Associates' profit after tax	Share of associates' profit after tax
		Associates' profit after tax	Share of associates' profit after tax
		----- (Rupees) -----	
Un-quoted - related party			
Yanal Finance Company		1,347,687,428	26,953,749
		1,122,185,392	22,443,709
19 FINANCE COST			
Interest / mark-up / profit on:			
- Long-term finances		741,773,986	497,429,390
- Short-term borrowings		34,473,797	49,245,939
- Certificates of deposit		185,426,529	132,836,515
- Lease liability against right-of-use assets		3,428,752	3,585,698
Amortisation of transaction cost		1,961,460	2,142,378
Bank charges		1,604,047	1,800,000
		968,668,571	687,039,920
20 OTHER PROVISIONS - NET			
Operating lease, investments and other receivables			
Reversal of provision against operating lease receivable		(282,000)	(301,779)
Others			
Provision for Workers' Welfare Fund		11,642,961	6,000,000
		11,360,961	5,698,221
21 SEGMENT INFORMATION			

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

September 30, 2023			
Finance lease	Finances and loans	Investment in subsidiaries, associates & others	Total

(Rupees)

Segment analysis for the quarter

ended September 30, 2023 - (Un-audited)

Segment revenues	782,959,845	999,838,102	200,547,802	1,983,345,749
Finance cost	345,743,772	438,669,475	184,255,324	968,668,571
Administrative and general expenses	172,209,722	218,494,603	501,991	391,206,316
Direct cost	1,086,925	4,265,619	157,533	5,510,077
Provision-net	(49,113,214)	35,592,518	(282,000)	(13,802,696)
Segment results	313,032,640	302,815,887	15,914,954	631,763,481
Provision for Workers' Welfare Fund				(11,642,961)
Provision for taxation				(241,483,935)
Profit for the period				378,636,585

Other information - As at September 30, 2023 (Un-audited)

Segment assets	10,664,021,265	13,738,214,973	5,692,894,574	30,095,130,812
Unallocated assets				1,809,052,262
Total assets				31,904,183,074
Segment liabilities	499,239,720	443,563,440	1,861,153	944,664,313
Unallocated liabilities				20,781,944,185
Total liabilities				21,726,608,498

Segment analysis for the quarter

ended September 30, 2023 - (Un-audited)

Depreciation	-	-	156,780	156,780
Unallocated				
Capital expenditure - fixed assets for own use	-	-	-	38,584,565
Unallocated depreciation and amortisation	-	-	-	26,105,316

September 30, 2022			
Finance lease	Finances and loans	Investment in subsidiaries, associates & others	Total

(Rupees)

Segment analysis for the quarter

ended September 30, 2022 - (Un-audited)

Segment revenues	681,920,513	644,635,328	162,899,888	1,489,455,729
Finance cost	285,788,710	274,669,578	126,581,631	687,039,920
Administrative and general expenses	177,471,012	170,566,177	1,713,674	349,750,864
Direct cost	1,707,923	2,827,693	5,386,109	9,921,725
(Reversal of provision) / provision-net	27,046,471	5,404,718	(301,779)	32,149,410
Segment result	189,906,396	191,167,162	29,520,252	410,593,810
Provision for Workers' Welfare Fund				(6,000,000)
Provision for taxation				(138,611,786)
Profit for the period				265,982,024

Other information - As at June 30, 2023 (Audited)

Segment assets	11,257,605,115	13,898,434,177	5,250,083,419	30,406,122,711
Unallocated assets				1,547,116,547
Total assets				31,953,239,258
Segment liabilities	181,205,628	339,561,141	1,861,153	522,627,922
Unallocated liabilities				21,636,607,140
Total liabilities				22,159,235,062

Segment analysis for the quarter

ended September 30, 2022 - (Un-audited)

Depreciation	-	-	3,332,349	3,332,349
Unallocated				
Capital expenditure - fixed assets for own use	-	-	-	2,177,469
Unallocated depreciation and amortisation	-	-	-	24,431,284

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. Amounts due from and due to related parties are disclosed in the relevant notes to the unconsolidated financial statements.

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

	(Un-audited)	
	For the quarter ended	
	September 30, 2023	September 30, 2022
	----- (Rupees) -----	
ORIX Corporation, Japan - Parent Company - 49.58% Holding		
Dividend paid - net of tax	160,876,952	-
Reimbursement of cost	277,200	-
Yanal Finance Company - Associate / Common directorship - 2.5% ownership		
Reimbursement of cost	2,833,996	6,258,289
OLP Modaraba - Subsidiary - 20% ownership		
Dividend income	9,076,706	9,076,706
Reimbursement of cost	149,166	146,775
OLP Services Pakistan (Private) Limited (OSPPL) (formerly ORIX Services Pakistan (Private) Limited) - subsidiary company		
Rental income / expenses on behalf of OSPPL	14,123,422	10,815,402
OLP Financial Services Pakistan Limited - Employees Provident Fund		
Contribution paid	7,773,710	7,392,977
OLP Financial Services Pakistan Limited - Staff Gratuity Fund		
Contribution paid	3,639,332	4,280,166
Donation paid - Common Directorship		
The Layton Rahmatullah Benevolent Trust - Donation	1,000,000	-
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	2,500,000
Short-term employee benefits	72,019,531	55,831,667
Retirement benefits	1,701,837	2,104,646
Total compensation to directors and key management personnel	76,721,368	60,436,313
Other transactions with Key Management Personnel		
Staff loans disbursed	-	2,300,000
Interest recovered on staff loans	902,323	610,624
Principal recovered on staff loans	2,650,653	2,499,062

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	----- (Rupees) -----	
22.2 Balances with related parties as at period / year end		
Investment in subsidiaries	322,374,294	322,374,294
Investment in associate	1,755,709,936	1,718,529,322
Assets classified as held for sale		
- OPP (Private) Limited	87,754,399	87,754,399
- SAMA Finance SAE	172,043,037	172,043,037
Outstanding loans to key management personnel	27,951,764	30,602,414
Payable to OLP Financial Services Pakistan Limited - Staff Gratuity Fund	7,526,554	5,706,888
Receivable from OLP Services Pakistan (Private) Limited	69,989,068	56,348,025
Term finance to OLP Services Pakistan (Private) Limited	-	16,166,133
Receivable from OLP Modaraba	149,166	-
Receivable from Yanal Finance Company	7,191,374	8,777,774
Receivable from ORIX Corporation, Japan	1,892,895	1,615,695
Payable (Unpaid dividend) to ORIX Corporation, Japan	321,753,904	482,630,856

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The fair value of investments classified as "at fair value through profit or loss" and "at fair value through other comprehensive income" are based on active market. The investment in associate is accounted for using the equity method while the subsidiaries have been kept at cost.

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

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

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Company to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

September 30, 2023 (Un-audited)			
Fair value			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			
Financial assets at fair value through other comprehensive income			
Ordinary shares - listed	6,786,831	-	6,786,831
Ordinary shares - unlisted	-	7,757,077	7,757,077
Financial assets at fair value through profit or loss			
Market treasury bills	-	2,638,214,274	2,638,214,274
Non-financial assets			
Fixed assets (Leasehold land and building)	-	-	1,025,764,583
Total	<u>6,786,831</u>	<u>2,645,971,351</u>	<u>3,678,522,765</u>
June 30, 2023 (Audited)			
Fair value			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			
Financial assets at fair value through other comprehensive income			
Ordinary shares - listed	9,006,818	-	9,006,818
Ordinary shares - unlisted	-	7,757,077	7,757,077
Financial assets at fair value through profit or loss			
Market treasury bills	-	2,431,413,219	2,431,413,219
Non-financial assets			
Fixed assets (Leasehold land and building)	-	-	1,034,309,300
Total	<u>9,006,818</u>	<u>2,439,170,296</u>	<u>3,482,486,414</u>
(Un-audited)			
As at			
	Note	September 30, 2023	September 30, 2022
----- (Rupees) -----			
24 CASH AND CASH EQUIVALENTS		<u>336,347,887</u>	<u>82,196,533</u>
Cash at banks		<u>1,970,537</u>	<u>1,762,467</u>
Cash in hand		338,318,424	83,959,000
Running finance arrangements	14	<u>(559,124,879)</u>	<u>(1,488,279,042)</u>
		<u>(220,806,455)</u>	<u>(1,404,320,042)</u>
(Un-audited)			
For the quarter ended			
		September 30, 2023	September 30, 2022
----- (Rupees) -----			
25 EARNINGS PER SHARE - BASIC AND DILUTED		<u>378,636,585</u>	<u>265,982,024</u>
Profit for the period after taxation		----- (Number of shares) -----	
Weighted average number of ordinary shares		<u>175,407,647</u>	<u>175,407,647</u>
----- (Rupees) -----			
Earnings per share - basic and diluted		<u>2.16</u>	<u>1.52</u>
25.1	Diluted earnings per share has not been presented separately as the Company does not have any convertible instruments in issue as at September 30, 2023 and September 30, 2022, which would have any effect on the earnings per share if the option to convert is exercised.		

26 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its meeting held on September 15, 2023 proposed a final cash dividend of Rs. 2 per share (2022: Rs. 2 per share) for the year ended June 30, 2023, amounting to Rs. 350,815,294 (2022: Rs. 350,815,294). The appropriation of final cash dividend has been approved by the members of the Company at the Annual General Meeting held on October 26, 2023. The unconsolidated condensed interim financial information for the quarter ended September 30, 2023 does not include the effect of the above appropriations which will be accounted for in the unconsolidated financial statements of the Company for the year ending June 30, 2024.

27 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on October 27, 2023 by the Board of Directors of the Company.

28 GENERAL

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



Chief Executive Officer



Director



Chief Financial Officer

OLP FINANCIAL SERVICES PAKISTAN LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

		(Un-audited) September 30, 2023	(Audited) June 30, 2023
	Note	----- (Rupees) -----	
ASSETS			
Non-current assets			
Fixed assets	5	2,830,211,174	2,910,499,376
Intangible assets	6	19,074,998	17,262,038
Net investment in finance lease	7	11,319,953,654	11,962,400,718
Current maturity of net investment in finance lease		(5,990,357,385)	(6,085,689,467)
Allowance for potential lease losses		(131,186,478)	(142,820,838)
		(6,121,543,863)	(6,228,510,305)
		5,198,409,791	5,733,890,413
Investment in associate		1,755,709,936	1,718,529,322
Long-term investments	8	9,406,250	15,050,000
Long-term finances and loans		10,165,478,890	10,202,417,456
Long-term deposits		12,863,566	11,213,566
Defined benefit plan asset		6,118,331	6,118,331
		<u>19,997,272,936</u>	<u>20,614,980,502</u>
Current assets			
Short-term finances		43,092,539	42,392,159
Current maturity of non-current assets	9	13,868,039,208	14,000,869,545
Short-term investments	10	2,784,381,794	2,572,035,795
Advances and prepayments		362,707,458	111,992,648
Other receivables		150,611,078	150,176,307
Cash and bank balances		703,621,864	555,342,951
		17,912,453,941	17,432,809,405
Assets classified as held for sale	11	264,747,437	264,747,437
Total assets		<u><u>38,174,474,314</u></u>	<u><u>38,312,537,344</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital		3,500,000,000	3,500,000,000
350,000,000 (2022: 350,000,000) Ordinary shares of Rs.10 each		<u>3,500,000,000</u>	<u>3,500,000,000</u>
Issued, subscribed and paid-up capital	12	1,754,076,470	1,754,076,470
Reserves		8,358,879,211	7,956,160,732
Total equity attributable to equity holder of the Holding Company		10,112,955,681	9,710,237,202
Non-controlling interest		913,124,239	953,578,804
		<u>11,026,079,920</u>	<u>10,663,816,006</u>
Non-current liabilities			
Long-term finances	13	9,334,364,179	9,403,749,589
Long-term certificates of deposit		781,893,304	989,747,273
Long-term deposits		292,649,724	326,691,002
Deferred taxation		474,273,233	504,930,622
Other long-term liabilities		172,219,109	193,792,585
Redeemable capital		182,500,000	179,500,000
		11,237,899,549	11,598,411,071
Current liabilities			
Trade and other payables		1,839,343,403	1,438,240,713
Unpaid dividend		321,753,904	482,630,856
Unclaimed dividend		165,318,704	92,929,359
Short-term borrowings	14	591,699,135	860,821,168
Short-term certificates of deposit		3,159,778,827	3,310,914,290
Current maturity of non-current liabilities	15	9,396,060,659	9,447,102,792
Taxation-net		436,540,213	417,671,089
		15,910,494,845	16,050,310,267
Total equity and liabilities		<u><u>38,174,474,314</u></u>	<u><u>38,312,537,344</u></u>
Contingencies and Commitments	16		

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


Chief Executive Officer


Director


Chief Financial Officer

OLP FINANCIAL SERVICES PAKISTAN LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Note	For the quarter ended	
		September 30, 2023	September 30, 2022
		----- (Rupees) -----	
INCOME			
Income from operations			
Mark-up on finance leases		762,411,159	652,004,996
Mark-up on finances and loans		1,234,344,548	788,172,554
		<u>1,996,755,707</u>	<u>1,440,177,550</u>
Income from other activities			
Other income - net	17	501,614,830	459,500,619
Share of profit from associate	18	26,953,749	22,443,709
		<u>528,568,579</u>	<u>481,944,328</u>
		<u>2,525,324,285</u>	<u>1,922,121,878</u>
EXPENSES			
Finance cost	19	1,226,192,756	875,617,926
Administrative and general expenses		463,850,682	416,088,777
Direct cost		147,724,186	183,295,836
		<u>1,837,767,624</u>	<u>1,475,002,539</u>
Profit before provision and taxation		<u>687,556,661</u>	<u>447,119,339</u>
Provision / (reversal of provision) against potential leases and other loan losses - net		(16,148,519)	25,614,347
Other provisions - net	20	9,048,554	2,761,273
		(7,099,965)	28,375,620
Profit before taxation		<u>694,656,626</u>	<u>418,743,719</u>
Taxation - Current		298,443,330	185,699,142
- Deferred		(33,730,471)	(37,031,905)
		<u>264,712,859</u>	<u>148,667,237</u>
Profit for the period after taxation		<u>429,943,767</u>	<u>270,076,482</u>
Profit attributable to			
Equity shareholders of the Holding Company		397,784,684	252,838,811
Non-controlling interest		32,159,083	17,237,671
		<u>429,943,767</u>	<u>270,076,482</u>
Earnings per share - basic and diluted	25	<u>2.27</u>	<u>1.44</u>

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


 Chief Executive Officer


 Director


 Chief Financial Officer

OLP FINANCIAL SERVICES PAKISTAN LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	For the quarter ended	
	September 30, 2023	September 30, 2022
	----- (Rupees) -----	
Profit for the period after taxation attributable to:		
Equity shareholders of the Holding Company	397,784,684	252,838,811
Non-controlling interest	32,159,083	17,237,671
	<u>429,943,767</u>	<u>270,076,482</u>
Other comprehensive income		
Items that will be subsequently reclassified to consolidated statement of profit or loss		
- Exchange gain arising on translation of foreign associate	9,761,006	137,573,683
- Deferred tax on exchange gain arising on translation of foreign associates	(3,757,193)	(45,366,085)
	6,003,813	92,207,598
Items that will not be subsequently reclassified to consolidated statement of profit or loss		
- Fair value changes on remeasurement of financial assets	(2,219,988)	7,460,790
- Deferred tax on fair value changes on remeasurement of financial assets	865,796	(2,462,061)
	(1,354,192)	4,998,729
- Share of other comprehensive income from associate	465,859	476,834
- Deferred tax on share of other comprehensive income from associate	(181,685)	(157,355)
	284,174	319,479
Total comprehensive income for the period	<u>434,877,562</u>	<u>367,602,287</u>
Total comprehensive income for the period attributable to:		
Equity shareholders of the Holding Company	402,718,479	350,364,617
Non-controlling interest	32,159,083	17,237,671
	<u>434,877,562</u>	<u>367,602,287</u>

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



Chief Executive Officer



Director



Chief Financial Officer

OLP FINANCIAL SERVICES PAKISTAN LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

Attributable to equity shareholders of the Holding Company										Non-controlling Interest	Total
Reserves											
Issued, subscribed and paid-up capital	Capital Reserves					Revenue reserve	Total reserves				
	Share premium	Statutory reserve	Foreign currency translation reserve	Surplus / (deficit) on re-measurement of financial assets at fair value through other comprehensive income	Surplus on revaluation of leasehold land and office building	Unappropriated profit					
Rupees											
Balance as at July 1, 2022 (audited)	1,754,076,470	1,501,683,073	1,827,052,323	372,318,171	(179,968,379)	823,611,567	2,747,685,676	7,092,382,431	932,993,496	9,779,452,397	
Profit for the period	-	-	-	-	-	-	252,838,811	252,838,811	17,237,671	270,076,482	
Other comprehensive income	-	-	-	92,207,598	4,998,729	-	319,479	97,525,806	-	97,525,806	
Total comprehensive income for the period	-	-	-	92,207,598	4,998,729	-	253,158,290	350,364,617	17,237,671	367,602,288	
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	-	-	-	(5,113,404)	5,113,404	-	-	-	
Deferred tax on transfer of surplus on revaluation of fixed assets on account of incremental depreciation	-	-	-	-	-	618,462	(618,462)	-	-	-	
	-	-	-	-	-	(4,494,942)	4,494,942	-	-	-	
Transactions with owners recorded directly in equity											
Profit distribution for the year ended June 30, 2022 @ Rs. 2.9 per certificate	-	-	-	-	-	-	-	-	(72,613,648)	(72,613,648)	
Balance as at September 30, 2022 (unaudited)	1,754,076,470	1,501,683,073	1,827,052,323	464,525,769	(174,969,650)	819,116,625	3,005,338,908	7,442,747,048	877,617,519	10,074,441,037	
Balance as at July 1, 2023 (audited)	1,754,076,470	1,501,683,073	1,887,588,963	641,001,426	2,956,489	922,051,255	3,000,879,526	7,956,160,732	953,578,804	10,663,816,006	
Profit for the period	-	-	-	-	-	-	397,784,684	397,784,684	32,159,083	429,943,767	
Other comprehensive income	-	-	-	6,003,813	(1,354,192)	-	284,174	4,933,795	-	4,933,795	
Total comprehensive income for the period	-	-	-	6,003,813	(1,354,192)	-	398,068,858	402,718,479	32,159,083	434,877,562	
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	-	-	-	(7,519,788)	7,519,788	-	-	-	
Deferred tax on transfer of surplus on revaluation of fixed assets on account of incremental depreciation	-	-	-	-	-	1,530,321	(1,530,321)	-	-	-	
	-	-	-	-	-	(5,989,467)	5,989,467	-	-	-	
Transactions with owners recorded directly in equity											
Profit distribution for the year ended June 30, 2023 @ Rs. 2 per certificate	-	-	-	-	-	-	-	-	(72,613,648)	(72,613,648)	
Balance as at September 30, 2023 (unaudited)	1,754,076,470	1,501,683,073	1,887,588,963	647,005,239	1,602,297	916,061,788	3,404,937,851	8,358,879,211	913,124,239	11,026,079,920	

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


Chief Executive Officer


Director


Chief Financial Officer

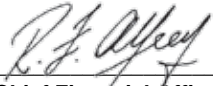
OLP FINANCIAL SERVICES PAKISTAN LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

Note	For the quarter ended	
	September 30, 2023	September 30, 2022
-----Rupees-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation for the period	694,656,626	418,743,719
Adjustments for:		
Depreciation and amortisation	170,621,001	202,954,886
Amortisation of transaction cost	1,961,460	2,142,378
Impairment on assets under Ijarah arrangements	(12,949,261)	(2,328,565)
Provision / (Reversal of provision) for potential lease and other loan losses - net	(16,148,519)	23,132,653
Other provisions - net	21,208,492	4,416,779
Provision for service sales tax	853,855	707,632
Charge for defined benefit plan	6,015,915	4,719,310
Share of profit from associate	(26,953,749)	(22,443,709)
Fair value changes on remeasurement of financial assets at fair value - net	(3,580,365)	(768,202)
Finance cost including bank charges	1,205,978,184	858,328,168
Dividend income	(8,945,943)	-
Return on investments and deposits	(111,460,389)	(104,704,938)
Gain on sale of investment - net	(80,394,500)	(19,854,490)
Gain on disposal of fixed assets	3,648,947	(353,401)
Other exchange gain -net	-	(939,381)
	<u>1,149,855,128</u>	<u>945,009,120</u>
Operating profit before working capital changes	1,844,511,754	1,363,752,839
Increase in operating assets		
Investment in finance lease - net	642,447,064	583,971,900
Long-term finances and loans - net	(183,101,119)	(831,354,250)
Short-term finances - net	(671,427)	(5,075,060)
Long-term deposits	(1,650,000)	(25,000)
Advances and prepayments	(174,323,951)	58,268,813
Other receivables	(23,225,263)	(70,149,985)
	<u>259,475,304</u>	<u>(264,363,582)</u>
Increase / (decrease) in operating liabilities		
Deposits from lessees - net	(8,079,711)	(2,841,207)
Other long term liabilities - net	(187,046,820)	(119,015,634)
Trade and other payables	384,379,439	25,279,116
	<u>189,252,908</u>	<u>(96,577,725)</u>
Cash generated / (used) from operating activities	2,293,239,966	1,002,811,532
Payment against staff retirement benefits	(3,866,332)	(4,280,166)
Workers' Welfare Fund paid	(1,999,202)	-
Income tax paid	(279,646,731)	(155,791,048)
	<u>(285,512,265)</u>	<u>(160,071,214)</u>
Net cash generated from / (used in) operating activities	2,007,727,701	842,740,318
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred - own use and intangible assets	(43,949,234)	(11,210,977)
Capital expenditure incurred - ijarah finance	(86,240,000)	(82,764,238)
Proceeds from disposal of assets - own use	1,566,253	413,496
Proceeds from sale of ijarah finance assets	55,203,539	36,114,882
Investments - net	112,749,730	(1,446,284,019)
Dividend received	8,945,943	-
Interest received	76,769,136	7,125,343
	<u>125,045,367</u>	<u>(1,496,605,513)</u>
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term loans	356,104,827	581,984,224
Short-term borrowings - net	-	-
Certificates of deposit redeemed / issued - net	(234,819,209)	185,212,260
Repayment of long-term finances	(932,986,111)	(1,028,472,222)
Finance cost paid	(734,401,326)	(650,238,012)
Payment of lease liability against right-of-use assets	(9,034,128)	(8,333,904)
Dividend paid	(161,101,255)	(9,668,619)
	<u>(1,716,237,202)</u>	<u>(929,516,273)</u>
Net cash generated from financing activities		
Net decrease in cash and cash equivalents	416,535,866	(1,583,381,468)
Cash and cash equivalents at beginning of the period	(272,038,881)	1,058,750,016
Cash and cash equivalents at end of the period	24 144,496,985	(524,631,452)

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


Chief Executive Officer


Director


Chief Financial Officer

OLP FINANCIAL SERVICES PAKISTAN LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

1 LEGAL STATUS AND OPERATIONS

The "Group" consists of:

- (i) OLP Financial Services Pakistan Limited - the Holding Company
- (ii) OLP Services Pakistan (Private) Limited - subsidiary company
- (iii) OLP Modaraba - subsidiary company

1.1 Holding company

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

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

- 1.2** The Pakistan Credit Rating Agency Limited (PACRA) has assigned a long-term rating of AA+ (2022: AA+) and a short-term rating of A1+ (2022: A1+) to the Company on March 03, 2023 (2022: March 03, 2022).

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, which comprise of:

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

Where provisions of and directives issued under the Companies Act, 2017, the IFAS, the NBFC Rules or the NBFC Regulations differ from the IAS 34, the provisions of and directives issued under the Companies Act, 2017, the IFAS, the NBFC Rules or the NBFC Regulations have been followed.

2.2 Basis of measurement

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

- Leasehold land and office building are stated at revalued amounts;
- Certain investments are stated at fair value;
- Non-current assets classified as held-for-sale are valued at lower of carrying amount and fair value less cost to sell;
- Obligation in respect of staff gratuity is measured at present value of defined benefit obligation;
- Investment in associate are valued using equity method of accounting; and
- Lease liabilities which have been carried at present value and right-of-use assets which are initially measured at an amount equal to the corresponding lease liabilities (adjusted for any lease payments and certain specified costs) and depreciated over the respective lease terms.

- 2.3 These consolidated condensed interim financial statements does not include all the information required for a full set of financial statements and should be read in conjunction with the annual published consolidated audited financial statements of the Group for the year ended June 30, 2023.
- 2.4 The comparative consolidated condensed interim 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 Group for the year ended June 30, 2023, whereas the comparative consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of profit or loss and other comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows are stated from the unaudited consolidated condensed interim financial statements for the quarter ended September 30, 2022.
- 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 Group for the year ended June 30, 2023.
- 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 the management in applying the Holding Company's accounting polices and the factors used in making those estimates and associated assumptions were the same as those that were applied to the annual audited published consolidated financial statements for the year ended June 30, 2023.

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

There are certain amendments to the standards and new interpretations that are mandatory for accounting periods beginning on or after July 1, 2023 but are considered not to be relevant or do not have any significant effect on the Group's operations and are, therefore, not detailed in these consolidated condensed interim financial statements.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Group's accounting period beginning on July 1, 2024. However, these will not have any significant impact on the Group's operations and, therefore, have not been detailed in these unconsolidated condensed interim financial statements.

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 Group for the year ended June 30, 2023.

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	-----Rupees-----	
5 FIXED ASSETS		
Own use	1,227,757,166	1,208,894,540
Ijarah assets	1,526,467,114	1,628,711,815
Right-of-use assets	75,986,894	72,893,021
	<u>2,830,211,174</u>	<u>2,910,499,376</u>

5.1 The following is a statement of cost of additions and disposals to / from fixed assets for the quarter ended September 30, 2023.

	Own use		Asset under Ijarah financing		Right-of-use assets	
	Additions	Disposals	Additions	Disposals / Transfers	Additions	Disposals
	(Rupees)					
Right-of-use assets	-	-	-	-	9,426,027	-
Generators / machinery	-	-	86,240,000	171,651,770	-	-
Leasehold improvements	704,363	-	-	-	-	-
Furniture, fittings and office equipment	4,850,790	928,805	-	-	-	-
Computers and accessories	270,500	121,300	-	-	-	-
Vehicles	35,774,530	1,289,000	-	-	-	-
September 30, 2023	41,600,183	2,339,105	86,240,000	171,651,770	9,426,027	-
September 30, 2022	9,354,129	3,790,718	82,764,238	138,888,454	6,224,687	-

6 INTANGIBLE ASSETS

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	-----Rupees-----	
Computer software and license	5,346,265	3,533,305
Goodwill	13,728,733	13,728,733
Customer relationship for Ijarah	-	-
	<u>19,074,998</u>	<u>17,262,038</u>

6.1 Additions amounting to Rs. 2.3 million (September 2022: Rs. 1.8 million) were made to intangible assets during the quarter ended September 30, 2023. No disposals were made during the period.

7 NET INVESTMENT IN FINANCE LEASE

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	-----Rupees-----	
Instalment contract receivables	15,138,266,747	15,965,496,335
Residual value	6,574,163,829	6,875,123,327
Less: adjustable security deposit	(6,564,246,186)	(6,864,775,784)
Gross investment in finance lease	15,148,184,390	15,975,843,878
Less: unearned finance income	(3,828,230,736)	(4,013,443,160)
Present value of investment in finance lease	<u>11,319,953,654</u>	<u>11,962,400,718</u>

7.1 Security deposit is received from lessees under finance lease contracts which is adjustable at the expiry of the lease

7.2 The Group's implicit rate of return on performing leases ranges from 15.00% to 34.82% (June 30, 2023: 14.6% to 33.78%) per annum. These are secured against leased assets, security deposits averaging 24.20% (June 30, 2023: 24.04%) of the cost of leased assets and personal guarantees.

8 LONG-TERM INVESTMENTS

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	-----Rupees-----	
Amortised Cost		
Pakistan Investment Bonds (PIBs)	-	203,006,501
At fair value through other comprehensive income		
Cashew Financial Services Limited	9,406,250	15,050,000
	<u>9,406,250</u>	<u>218,056,501</u>
Less: current maturity	-	(203,006,501)
	<u>9,406,250</u>	<u>15,050,000</u>

	Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
9		-----Rupees-----	
		CURRENT MATURITY OF NON-CURRENT ASSETS	
		Current maturity of:	
		5,990,357,385	6,085,689,467
		(524,745,913)	(562,224,766)
		5,465,611,472	5,523,464,701
		-	203,006,501
		8,625,168,786	8,461,956,712
		(222,741,050)	(187,558,369)
		8,402,427,736	8,274,398,343
		<u>13,868,039,208</u>	<u>14,000,869,545</u>

10 SHORT-TERM INVESTMENTS

At fair value through profit or loss

Investment in Market treasury bills	10.1	2,638,214,274	2,431,413,219
Investment in Mutual Funds		131,623,612	123,858,681

At fair value through other comprehensive income

Ordinary shares - unlisted		7,757,077	7,757,077
Ordinary shares - listed		6,786,831	9,006,818
		<u>2,784,381,794</u>	<u>2,572,035,795</u>

- 10.1** These include investment amounted to Rs. 672,298,739 (June 30, 2023: Rs. 509,908,808) made as required under Regulation 14(4)(g) of the NBFC Regulations to maintain liquidity against certificates of deposit. These are redeemable within a period of 1 to 3 months (June 30, 2023: 1 to 3 month) from the reporting date, carrying yield ranging from 22.75% to 23.40% (June 30, 2023: 21.60% to 21.99%) per annum.

	Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
11		-----Rupees-----	
		ASSETS CLASSIFIED AS HELD FOR SALE	
		250,001	250,001
		87,754,399	87,754,399
		172,043,037	172,043,037
		4,700,000	4,700,000
		<u>264,747,437</u>	<u>264,747,437</u>

- 11.1** These represent repossessed assets consisting of vehicle previously leased out to customers. The Holding Company intends to dispose of these assets to recover the balance amount outstanding against such leases.

- 11.2** The Holding Company holds 45% (2022: 45%) ownership interest in OPP (Private) Limited. During 2014, the Board of Directors of the Company approved divestment of the Company's entire investment in OPP.

The sales negotiations for disposal of investment in OPP were held with a minority shareholder of OPP and a Share Purchase Agreement (SPA) was signed by all the parties in July 2014. However, the minority shareholder had failed to comply with the terms of the SPA and initiated legal proceedings to restrict the Company in managing the affairs of OPP. The Company has also filed a reference in the Lahore High Court to allow the Company to buy out the minority stakeholder in OPP or to wind up OPP which is pending to date.

- 11.3** The Holding Company holds 23% (2022: 23%) ownership interest in SAMA. The Board of Directors in their meeting held in February 2019 approved divestment of the Company's investment in SAMA. In pursuance of the above, the Company intends to dispose of its investment in SAMA. The sale negotiation for disposal were held and a Sale Purchase Agreement (SPA) was signed on October 17, 2019. However in May 2022, the long stop date was expired and no addendum was signed to extend long stop date. The Board of Director in their meeting held in April 2023 has reiterated their intentions to sale the Company's investment in SAMA. Accordingly, the Company has signed mandate with a consultant to advise and execute sale of investment. The disposal is expected to be completed within a year, subject to necessary regulatory approvals.

12 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

(Un-audited) September 30, 2023	(Audited) June 30, 2023		(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- (Number of Shares) -----			-----Rupees-----	
		Ordinary shares of Rs. 10 each		
106,485,517	106,485,517	Fully paid in cash	1,064,855,170	1,064,855,170
66,739,592	66,739,592	Fully paid bonus shares	667,395,920	667,395,920
2,182,538	2,182,538	Fully paid shares against amalgamation	21,825,380	21,825,380
<u>175,407,647</u>	<u>175,407,647</u>		<u>1,754,076,470</u>	<u>1,754,076,470</u>

	Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
		-----Rupees-----	

13 LONG-TERM FINANCES

Secured

Long-term finances utilised under mark-up arrangements from financial institutions

	13.1 & 13.2	11,591,211,900	12,170,843,184
Privately placed term finance certificates	13.3	2,625,000,000	2,625,000,000
Accrued interest / mark-up on long-term finances		749,643,340	466,378,696
		<u>14,965,855,240</u>	<u>15,262,221,880</u>

Less: Unamortised transaction cost

	15	(9,019,968)	(10,981,428)
Less: current maturity		<u>(5,622,471,093)</u>	<u>(5,847,490,863)</u>
		(5,631,491,061)	(5,858,472,291)

	<u>9,334,364,179</u>	<u>9,403,749,589</u>
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13.1 These finances have been obtained for financing of operations and are secured by hypothecation of leased assets, related lease receivables and financing receivables. The mark-up rates thereon range from 22.79% to 23.93% (2023: 17.29% to 23.72%) per annum. These finances are repayable within a period of 36 to 60 months (2023: 36 to 60 months).

13.2 This also includes Musharika term finance various banks / companies amounting to Rs.1,503 million (2023: Rs.1,650 million). These carry profit ranging from 20.56% to 23.64% (2023: 20.56% to 22.70%) per annum. These finances are repayable within a period of 36 to 60 months (2023: 36 to 60 months).

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

	Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
		-----Rupees-----	

14 SHORT-TERM BORROWINGS

From banking companies - secured

Running finance arrangements		559,124,879	827,381,832
Accrued interest / mark-up on short term borrowings		32,574,256	33,439,336
	14.1	<u>591,699,135</u>	<u>860,821,168</u>

14.1 These represent short-term running finance facilities for financing of operations with limits aggregating to Rs. 3,050 million as at September 30, 2023 (June 30, 2023: Rs. 3,050 million). These facilities have been obtained for financing of day to day operations. The rate of mark-up ranges from 23.11% to 24.16% (June 30, 2023: 22.20% to 23.23%) per annum on a daily product basis. These are secured by hypothecation of leased assets, related lease receivables and financing receivables.

	Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
15		-----Rupees-----	
		CURRENT MATURITY OF NON-CURRENT LIABILITIES	
		Current maturity of:	
		Long-term finances	
	13	5,622,471,093	5,847,490,863
		Long-term certificates of deposit	
		754,318,225	608,492,320
		Long-term deposits	
		195,305,843	169,344,276
		Redeemable capital	
		2,795,213,741	2,795,141,728
		Lease liability against right-of-use assets	
		28,751,757	26,633,605
		<u>9,396,060,659</u>	<u>9,447,102,792</u>

16 CONTINGENCIES AND COMMITMENTS

16.1 There was no change in the status of contingencies, except for the following, as disclosed in the note 32 to the annual audited published consolidated financial statements of the Group for the year ended June 30, 2023.

16.2 Holding Company

16.2.1 During 2017, the Deputy Commissioner Inland Revenue (DCIR) amended the orders for the tax years 2011 and 2014 creating an aggregate demand of Rs 126.2 million mainly on account of difference in determination of minimum tax liability under section 113 of the Ordinance. The Company's appeals against these amended orders before the CIR-A were maintained and were pending adjudication before the ATIR. During May 2021, the Company filed applications for fixation of hearing of these appeals against which hearing was fixed for June 10, 2021. However, the same was deferred and matter was pending for adjudication. The Company obtained a stay order against the recovery of demand from the Sindh High Court (SHC) until adjudication of the appeal by ATIR. The hearing of both years' appeals was held on October 11, 2023 when the case was heard and reserved for order.

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

16.2.2 Commitments relating to capital expenditure at the reporting date amounted to Rs. 4.63 million (June 30, 2023: Rs.0.83 million).

16.3 OLP Modaraba

16.3.1 OLP Modaraba has issued letters of comfort to various commercial banks on behalf of its customers. These aggregate to Rs. 83.8 million (June 30, 2022: Rs. 83.8 million).

	Note	(Un-audited) For the quarter ended	
		September 30, 2023	September 30, 2022
17		-----Rupees-----	
		OTHER INCOME - NET	
		Income from financial assets	
		Return on investments and deposits	
		20,122,048	30,975,667
		Interest income on government securities	
		92,069,785	74,061,861
		Gain on sale of investments - net	
		80,394,500	19,854,490
		Dividend income	
		8,945,943	-
		Operating lease rentals	
		227,476,889	7,251,760
		Ijarah finance income	
		159,339	239,136,050
		Unrealised loss on remeasurement of financial assets at fair value through profit or loss - net	
		3,580,365	(768,202)
		432,748,869	370,511,626
		Income from other than financial assets	
		Fee and other income	
		28,667,386	55,479,187
		Documentation fee	
		6,845,921	7,496,132
		(Loss) / gain on disposal of fixed assets	
		(3,648,947)	6,081,966
		Gain on cancellation of leases and finance and loans	
		36,853,107	18,992,327
		Exchange gain / (loss) - net	
		148,494	939,381
		68,865,961	88,988,993
		<u>501,614,830</u>	<u>459,500,619</u>

18 **SHARE OF PROFIT OF ASSOCIATE UNDER EQUITY ACCOUNTING**

Name of associate	(Un-audited)			
	For the quarter ended September 30, 2023		For the quarter ended September 30, 2022	
	Associates' profit after tax	Share of associates' profit after tax	Associates' profit after tax	Share of associates' profit after tax
	----- (Rupees) -----			
Un-quoted				
Yanal Finance Company	1,347,687,428	26,953,749	1,122,185,392	22,443,709

19 **FINANCE COST**

Interest / mark-up / profit on:

- Long-term finances	741,773,986	497,429,390
- Redeemable capital	131,641,751	97,862,117
- Musharika finance arrangements	89,869,886	75,568,509
- Short-term borrowings	34,473,797	49,245,939
- Certificates of deposit	185,426,529	132,836,515
- Unwinding of security deposit	11,581,014	9,854,057
- Lease liability against right-of-use assets	3,428,752	3,585,698
Amortization of transaction cost	1,961,460	2,142,378
Bank charges and commission	26,035,581	7,093,323
	<u>1,226,192,756</u>	<u>875,617,926</u>

(Un-audited)	
For the quarter ended	
September 30, 2023	September 30, 2022
-----Rupees-----	

20 **OTHER PROVISIONS / (REVERSAL OF PROVISION) - NET**

Operating lease, investments and other receivables

Reversal of provision against other receivable	-	(1,800,000)
Provision against operating lease receivable	(282,000)	(301,779)
Provision against ijarah receivable	8,682,347	(2,481,694)

Others

Provision for Workers' Welfare Fund	12,743,613	6,826,188
Provision for services sales tax on Management Company's remuneration	853,855	518,558
Reversal of impairment against Ijarah assets	(12,949,261)	-
	<u>9,048,554</u>	<u>2,761,273</u>

21 **SEGMENT INFORMATION**

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

September 30, 2023				
Finance lease	Finances and loans	Islamic finance	Investment in subsidiaries, associates & others	Total

(Rupees)

Segment analysis for the quarter

ended September 30, 2023 - (Unaudited)

Segment revenues	782,959,845	999,838,102	500,374,008	242,152,330	2,525,324,285
Finance cost	345,743,772	438,669,475	238,992,493	202,787,016	1,226,192,756
Administrative and general expenses	172,209,722	218,494,603	71,406,808	1,739,549	463,850,682
Direct cost	1,086,925	4,265,619	141,452,618	919,024	147,724,186
(Reversals) / Provisions-net	(49,113,214)	35,592,518	(6,040,882)	(282,001)	(19,843,579)
	<u>313,032,640</u>	<u>302,815,887</u>	<u>54,562,971</u>	<u>36,988,742</u>	<u>707,400,240</u>

Provision for Workers' Welfare Fund

(12,743,614)

Provision for taxation

(264,712,859)

Profit for the period

429,943,767

Segment assets and liabilities as at

September 30, 2023 (Un-audited)

Segment assets	<u>10,664,021,265</u>	<u>13,738,214,973</u>	<u>5,796,255,881</u>	<u>6,047,351,444</u>	<u>36,245,843,563</u>
Unallocated assets					<u>1,928,630,751</u>
Total assets					<u>38,174,474,314</u>
Segment liabilities	<u>499,239,720</u>	<u>443,563,440</u>	<u>4,796,534,806</u>	<u>249,228,901</u>	<u>5,988,566,867</u>
Unallocated liabilities					<u>21,159,900,051</u>
Total liabilities					<u>27,148,466,918</u>

Other information for the quarter

ended September 30, 2023 - (Unaudited)

Capital expenditure	<u>-</u>	<u>-</u>	<u>86,240,000</u>	<u>-</u>	<u>86,240,000</u>
Depreciation	<u>-</u>	<u>-</u>	<u>141,452,618</u>	<u>156,780</u>	<u>141,609,398</u>
Unallocated					
Capital expenditure - fixed asset for own use	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,600,183</u>
Additions made to intangible assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,349,051</u>
Unallocated depreciation and amortisation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,011,603</u>

September 30, 2022				
Finance lease	Finances and loans	Islamic finance	Investment in subsidiaries, associates & others	Total

(Rupees)

Segment analysis for the quarter

ended September 30, 2022 - (Unaudited)

Segment revenues	681,920,513	817,387,212	27,670,000	395,144,152	1,922,121,878
Finance cost	285,788,710	394,424,322	18,686,585	176,718,309	875,617,926
Administrative and general expenses	177,471,012	208,155,280	5,883,532	24,578,953	416,088,777
Direct cost	1,707,923	2,827,693	806,986	177,953,234	183,295,836
(Reversal) / provision - net	27,046,471	(1,432,124)	(2,481,694)	(1,583,221)	21,549,432
	<u>189,906,396</u>	<u>213,412,042</u>	<u>4,774,591</u>	<u>17,476,877</u>	<u>425,569,907</u>

Provision for Workers' Welfare Fund

(6,826,188)

Provision for taxation

(148,667,237)

Profit for the period

270,076,482

Segment assets and liabilities as at

June 30, 2023 (Audited)

Segment assets	<u>11,257,605,115</u>	<u>13,882,268,044</u>	<u>6,004,304,156</u>	<u>5,253,411,303</u>	<u>36,397,588,618</u>
Unallocated assets					<u>1,914,948,726</u>
Total assets					<u>38,312,537,344</u>
Segment liabilities	<u>181,205,628</u>	<u>339,561,141</u>	<u>4,896,479,098</u>	<u>286,138,925</u>	<u>5,703,384,792</u>
Unallocated liabilities					<u>21,945,336,546</u>
Total liabilities					<u>27,648,721,338</u>

Other information for the quarter

ended September 30, 2022 - (Unaudited)

Capital expenditure	<u>-</u>	<u>-</u>	<u>82,764,238</u>	<u>-</u>	<u>82,764,238</u>
Depreciation	<u>-</u>	<u>-</u>	<u>170,718,086</u>	<u>2,525,568</u>	<u>173,243,654</u>
Unallocated					
Capital expenditure - fixed asset for own use	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,210,977</u>
Additions made to intangible assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,856,848</u>
Unallocated depreciation and amortisation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,711,232</u>

22 TRANSACTIONS / BALANCES WITH RELATED PARTIES

The Group has related party relationships with its parent company, 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.

	(Un-audited)	
	For the quarter ended	
	September 30, 2023	September 30, 2022
	-----Rupees-----	
22.1 Transactions with related parties during the period are given below:		
ORIX Corporation, Japan - Parent Company - 49.58% Holding		
Dividend paid - net of tax	160,876,952	-
Reimbursement of cost	277,200	-
Yanal Finance Company - Associate - 2.5% ownership		
Reimbursement of cost	2,833,996	6,258,289
OLP Financial Services Pakistan Limited - Employees Provident Fund		
Contribution made	7,773,710	7,392,977
OLP Modaraba - Staff Provident Fund		
Contribution made	1,486,600	1,492,905
OLP Financial Services Pakistan Limited - Staff Gratuity Fund		
Contribution made	3,639,332	4,280,166
OLP Modaraba - Staff Gratuity Fund		
Contribution made	1,238,338	1,243,586
Reimbursement from OLP Modaraba - Staff Gratuity Fund	122,712	-
Donation paid - Common Directorship		
The Layton Rahmatullah Benevolent Trust	2,000,000	-
The Patients' Behbud Society for AKU	1,000,000	-
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	3,660,047
Short-term employee benefits	94,942,601	88,836,435
Retirement benefits	2,999,295	3,162,217
Total compensation to directors and key management personnel	100,941,896	95,658,699
Other transactions with Key Management Personnel		
Redeemable capital issued (net off redemption)	11,500,000	-
Profit on Redeemable Capital	2,036,524	516,121
Staff loans disbursed	4,315,000	2,300,000
Principal recovered on staff loans	6,218,159	5,181,712
Interest recovered on staff loans	3,639,914	3,818,959

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	-----Rupees-----	
22.2 Balances with related parties as at period / year end		
Investment in associate - Yanal Finance Company - 2.5% ownership	1,755,709,936	1,718,529,322
Assets classified as held for sale		
- OPP (Private) Limited - 45% ownership	87,754,399	87,754,399
- SAMA Finance SAE - 23% ownership	172,043,037	172,043,037
Outstanding loans to key management personnel	73,073,764	74,976,920
Outstanding redeemable capital to key management personnel	39,950,000	28,450,000
Profit payable on redeemable capital to key management personnel	4,635,669	2,660,536
Advance to the Chief Executive Officer of OLP Services Pakistan (Private) Limited	960,000	1,320,000
Payable to OLP Financial Services Pakistan Limited-Staff Gratuity Fund	7,526,554	5,706,888
Receivable from Yanal Finance Company	7,191,374	8,777,774
Receivable from ORIX Corporation, Japan	1,892,895	1,615,695
Unpaid dividend payable to ORIX Corporation, Japan	321,753,904	482,630,856

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The fair value of investments classified as "at fair value through profit or loss" and "at fair value through other comprehensive income" are based on active market. The investment in associate is accounted for using the equity method while the subsidiaries have been kept at cost.

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

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

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Group to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

September 30, 2023 (Un-audited)			
Fair value			
Level 1	Level 2	Level 3	Total

Financial assets at fair value through other comprehensive income

Ordinary shares - unlisted	-	7,757,077	-	7,757,077
Ordinary shares - listed	6,786,831	-	-	6,786,831

Financial assets at fair value through profit or loss

Market treasury bills	-	2,638,214,274	-	2,638,214,274
Mutual fund	-	131,623,612	-	131,623,612

Non-financial assets

Fixed assets (Leasehold land and building)	-	-	1,025,764,583	1,025,764,583
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Total	6,786,831	2,777,594,963	1,025,764,583	3,810,146,377
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June 30, 2023 (Audited)			
Fair value			
Level 1	Level 2	Level 3	Total

Financial assets at fair value through other comprehensive income

Ordinary shares - unlisted	-	7,757,077	-	7,757,077
Ordinary shares - listed	9,006,818	-	-	9,006,818

Financial assets at fair value through profit or loss

Market treasury bills	-	2,431,413,219	-	2,431,413,219
Mutual fund	-	-	-	-

Non-financial assets

Fixed assets (Leasehold land and building)	-	-	1,034,309,300	1,034,309,300
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Total	9,006,818	2,439,170,296	1,034,309,300	3,482,486,414
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		(Un-audited)	
		As at	
	Note	September 30, 2023	June 30, 2022
24 CASH AND CASH EQUIVALENTS		-----Rupees-----	
Cash at bank		701,543,303	961,773,649
Cash in hand		2,078,561	1,873,941
		703,621,864	963,647,590
Short term running finance facilities	14	(559,124,879)	(1,488,279,042)
		144,496,985	(524,631,452)
		(Un-audited)	
		For the quarter ended	
		September 30, 2023	September 30, 2022
25 EARNINGS PER SHARE - BASIC AND DILUTED			
Profit for the period after taxation attributable to ordinary shareholders of the Holding Company (Rupees)		397,784,684	252,838,811
Weighted average number of ordinary shares		175,407,647	175,407,647
Earnings per share - basic and diluted (Rupees)		2.27	1.44

Diluted earnings per share has not been presented separately as the Holding Company does not have any convertible instruments in issue as at September 30, 2023 and September 30, 2022, which would have any effect on the earnings per share if the option to convert is exercised.

26 NON - ADJUSTING EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Holding Company in its meeting held on September 15, 2023 proposed a final cash dividend of Rs. 2 per share (2022: Rs. 2 per share) for the year ended June 30, 2023, amounting to Rs. 350,815,294 (2022: Rs. 350,815,294). The appropriation of final cash dividend has been approved by the members of the Holding Company at the Annual General Meeting held on October 26, 2023. The consolidated condensed interim financial information for the quarter ended September 30, 2023 does not include the effect of the above appropriations which will be accounted for in the consolidated financial statements of the Company for the year ending June 30, 2024.

27 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on October 27, 2023 by the Board of Directors of the Company.

28 GENERAL


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



Chief Executive Officer



Director



Chief Financial Officer

GEOGRAPHICAL PRESENCE

Head Office / Registered Office

OLP Building, Plot No. 16, Sector No. 24,
Korangi Industrial Area, Karachi
Tel: 021-35144029-40
Fax: 021-35144002, 35144020, 35144090-91
UAN: 111 24 24 24
Email: olp@olpfinance.com
Website: www.olpfinance.com

COD Office - DHA

1st Floor, 23-C, Street No. 5
Ittehad Commercial Area,
Phase VI, DHA, Karachi.
Tel: 021-35350560-63

KBW - Karachi

Plot # 151-A, Shop No. 9 & 10,
Datari Arcade, P.E.C.H.S, Block-2.
Tel: 021-35143752-5

Hyderabad

First Floor, State Life Building,
Thandi Sarak.
Tel: 022-2784143, 2720397
Fax: 022-2785388

Sukkur

Shop No. S-33 & 34, New City Banglows,
Shikarpur Road.
Tel: 071-5807031-32

Multan

Plot # 116, Pull Moj Darya,
LMQ Road Multan.
Tel: 061- 4518431-3, 4518435-6
Fax: 061-4518436
UAN: 111 24 24 24

Rahim Yar Khan

Plot No. 26, Main Street
Businessman Colony, Rahim Yar Khan.
Tel: 068-5888565, 5887617-8
Fax: 068-5887618

Bahawalpur

Ground Floor, Near Cantonment Office Board
Ahmed Pur East Road, Bahawalpur
Tel: 062-9255382, 9255494
Fax: 062-2886273

Vehari

137, Block-D, Vehari
Tel: 067-3360351 - 3

Lahore

76-B, E-1, Main Boulevard,
Gulberg III
Tel: 042-35782586-93
Fax: 042-35790488
UAN: 111 24 24 24

Thokar Niaz Baig

1st floor, 55th Avenue,
Lalazar Commercial Market, Raiwind Road,
Thokar Niaz Baig, Lahore
Tel: 042-35963581-84

Faisalabad

3rd Floor, Sitara Towers, Bilal Chowk,
Civil Lines, Faisalabad
Tel: 041-2633926, 2633811-3
Fax: 041-2633927
UAN: 111 24 24 24

Sargodha

Khan Arcade, 66 Old Civil Lines,
Katchery Road, Sargodha
Tel: 048-3729521
Fax: 048-3729522

Sahiwal

Plot No. 174/28, Ground Floor,
New Civil Lines, Katchery
Road, Sahiwal.
Tel: 040-4227613-4
Fax: 040-4227615

Jhang

Church Road, Near Government
Girls College Chowk, Jhang
Tel: 047-7650421-2
Fax: 047-7650423

Sialkot

1st Floor, Ghooram Kadir Arcade,
Aziz Shaheed Road, Sialkot Cantt.
Tel: 052-4260616, 4260877
UAN: 111 24 24 24

Gujrat

Office No.1, First Floor, Empire Centre,
Opp. Small Industrial Estate Gate No. 1,
G.T. Road, Gujrat
Tel: 053-3726053-55

Gujranwala

76-ABC, Block - P, Trust Plaza
G.T. Road, Gujranwala.
Tel: 055-3731021-22
Fax: 055-3250599

Islamabad

Ground Floor, State Life Building No. 5,
Nazimuddin Road, Blue Area, Islamabad
Tel: 051-2822800-2, 2821706, 2821748
Fax: 051-2821917
UAN: 111 24 24 24

Rawalpindi

Ground Floor, Abdullah Tower, Plot-14 Westeria Road,
Giga downtown Sector A, DHA, Phase- 2,
Main GT Road - Rawalpindi.
Tel: 051-5147264 - 68

Chakwal

Ground Floor, Opposite Sadar Police Station
Talagang Road Chakwal
Tel: 0543-666221, 666052-53
Fax: 0543-666054

Mirpur A.K.

1st floor, Jarral plaza, 63/F, Sector F-1,
Kotli Road, Mirpur, A.K
Tel: 05827-434368, 451219
Fax: 05827-432216

Taxila

1st Floor, Raja Business Tower,
Plot No. 1023/1028, Taxila Cantt
Main G.T Road, Taxila
Tel: 051-4254473, 4254475, 4254476

Peshawar

Ground Floor, State Life Building
The Mall
Tel: 091- 5278647, 5279789, 5285541, 5285520
Fax: 091-5273389,
UAN: 111 24 24 24

Abbottabad

Yousaf Jamal Plaza, Near HBL
Mansehra Road.
Tel: 0992-343888, 343188
Fax: 0992-405856

Mingora

First Floor, Shahzad Plaza, Makan Bagh,
Saidu Road, Mingora Swat
Tel: 0946 -722620
Fax: 0946 -722621

Kohat

Ground Floor, Saad Ullah Shah Market,
Near Kachehri Chowk, Kohat City
Tel: 0922- 512564-5

Micro Finance Division Ferozewala

Opposite Punjab Flour Mill, Near Rachna Town,
G.T. Road Shahdara, Ferozewala District Sheikhpura.
Tel: 042-37340711

Jallo Morre

Sooter Mill Stop, Near Karachi Hot & Spicy
Restaurant, Batapur Lahore
Tel: 042-36522931

Sharaqpur Sharif

Opposite Khushali Microfinance Bank,
Main Lahore Jaranwala Road, Sharaqpur Sharif
Tel: 056-2590021

Morre Khunda

Opposite Rice Mill, Main Jarranwala Road,
Morre Khunda, District Nankana Sahib
Tel: 056-2442371

Pattoki

Near Admore Petroleum, Al Rahim City, District Kasur.
Tel: 049-4560650

Renala Khurd

Brothers Tractor Workshop, Near Military Farm,
G.T. Road, Renala Khurd, Distt. Okara
Tel: 044-2635598

Manga Mandi

Main Multan Road, Madina Market, Kalma
Chowk.
Tel: 042-35383864

Bhalwal

Canal Road, Ashraf Colony, Tehsil Bhalwal,
District Sargodha
Tel: 048-6644448

Sillanwali

Chaudhary Akhter Market, 46 Adda Road,
Sillanwali, District Sargodha
Tel: 048-6532666

Shahpur

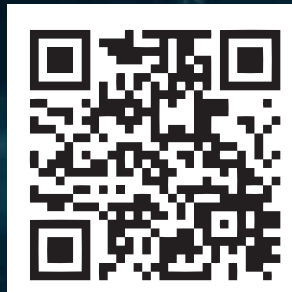
Near Boys Degree College, Sargodha Road, Shahpur
Saddar.
Tel: 048-6310424

AA+ | A+
Long Term Short Term

Long Term

Short Term

Credit Rating by PACRA: March 3, 2023



OLP FINANCIAL SERVICES PAKISTAN LIMITED
(Formerly ORIX Leasing Pakistan Limited)

OLP Building, Plot No. 16, Sector No. 24, Korangi Industrial Area,
Karachi 74900 Tel: (021) 3514 4029-40 UAN: 111 24 24 24

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