



OLP

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**THE SUCCESS STORY**  
**CONTINUES**

OLP FINANCIAL SERVICES PAKISTAN LIMITED  
HALF YEARLY REPORT 2022-2023

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# COMPANY INFORMATION

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## Board of Directors



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



**Mr. Yoshiaki Matsuoka**  
Non Executive Director



**Mr. Nasim Hyder**  
Independent  
Non Executive Director



**Ms. Aminah Zahid Zaheer**  
Independent  
Non Executive Director



**Mr. Katsumi Matsumoto**  
Non Executive Director



**Ms. Keiko Watanabe**  
Non Executive Director



**Mr. Daisuke Morita**  
Non Executive Director



**Mr. Shaheen Amin**  
Chief Executive Officer and  
Executive Director



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

### **Audit Committee**

1. Mr. Nasim Hyder  
Chairman
2. Ms. Aminah Zahid Zaheer  
Member
3. Ms. Keiko Watanabe  
Member
4. Mr. Daisuke Morita  
Member

### **Human Resource Nomination and Remuneration Committee**

1. Mr. Khalid Aziz Mirza  
Chairman
2. Mr. Yoshiaki Matsuoka  
Member
3. Mr. Katsumi Matsumoto  
Member
4. Mr. Shaheen Amin  
Member

### **Risk Committee**

1. Ms. Aminah Zahid Zaheer  
Chairperson
2. Mr. Nasim Hyder  
Member
3. Ms. Keiko Watanabe  
Member
4. Mr. Daisuke Morita  
Member

### **Credit Committee**

1. Mr. Yoshiaki Matsuoka  
Chairman
2. Mr. Shaheen Amin  
Member
3. Mr. Ramon Alfrey  
Member

### **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

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**Mr. Shaheen Amin**  
Chief Executive Officer



**Mr. Ramon Alfrey**  
Deputy Chief Executive  
Officer and CFO



**Mian Faysal Riaz**  
Chief Operating Officer



**Mr. Imtiaz Ahmed Chaudhry**  
Head - Marketing



**Mr. Waqas Ahmed Khwaja**  
Head - Corporate Division



**Mr. Tahir Ali Shah**  
Head - Commercial  
Vehicle Division



**Mr. Fahad Shahzad Memon**  
Head - Consumer Auto Division



**Ms. Aseya Qasim**  
Head - Micro Finance  
Division



**Mr. Shah Suleman Fareed**  
Head - Commercial Real Estate/  
Term Finance and Insurance  
Division



**Mr. Hira Lal Bharvani**  
Head - Human Resources



**Mr. Shafiq Ur Rehman**  
Head - Risk Management



**Mr. Hamood Ahmed**  
Head - Business Control



**Mr. Haider Abbas Kalhar**  
Company Secretary



**Mr. Nadeem Amir Ali**  
Head - Internal Audit



**Mr. Abid Hussain Awan**  
Head - Group Strategy and  
Planning



**Mr. Muhammad Aslam**  
Head - Special Asset Management



**Mr. Muhammad Ikram**  
Head - Information Systems



**Mr. Rashid Ahmed**  
Head - Compliance



**Mr. Mamoon Ishaq**  
Head - Administration

# PARENT SUBSIDIARIES & ASSOCIATES

## Parent Company

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### 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](http://www.orix.co.jp)

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## Subsidiaries

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### OLP Services Pakistan (Private) Limited

(Formerly ORIX 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

(Formerly ORIX Modaraba)

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

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## Associated Companies

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### Yanal Finance Company

P.O. Box 22890, Riyadh 11416  
343 King Saud Street, Riyadh  
Kingdom of Saudi Arabia  
Tel: (9661) 2997777  
Fax: (9661) 2997770  
[www.yanal.com](http://www.yanal.com)

### SAMA Finance 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](http://www.samafinance.com)

# DIRECTOR'S REVIEW REPORT

## For the half year ended December 31, 2022

The Board of Directors of OLP Financial Services Pakistan Limited (OLP / the Company) is pleased to present the unaudited condensed interim financial information for the half year ended December 31, 2022.

### Economic Review

Pakistan's economy is facing severe challenges in the face of high inflation, current account deficit, devastating floods and political uncertainty. After a GDP growth of 5.97% in FY2022, the economy is expected to grow by 2% in FY2023, which may decrease further if the political situation deteriorates.

The Country is experiencing its highest inflation in decades. The Consumer Price Index (CPI) for January 2023 rose by 27.5% YoY mainly due to high global commodity prices, devastating floods in the Country and rapid depreciation of the Rupee. On the external front, current account deficit (CAD) is also posing a severe challenge to the economy. With foreign currency reserves at their lowest level (equivalent to two to three weeks of imports) and the Government's inability to raise further debt from international bond markets, the Country has no option but to deal with the International Monetary Fund (IMF) and accept its reform conditions. Acceptance of the harsh conditions associated with the IMF program is expected to further increase inflation and accelerate economic slowdown.

To mitigate inflationary pressure, the State Bank of Pakistan (SBP) increased its policy rate to 17% in January 2023 from 7% in September 2021. Further, restrictions by SBP on foreign currency payments and imports have decreased the CAD but at the expense of drastically reduced industrial activity. In the current business environment, all economic sectors are facing uncertainty and business activity is expected to remain subdued in the next few months.

### Financial Highlights and Business Review

	Half year ended	
	December 2022	December 2021
	-----Rupees-----	
Profit before taxation	925,871,816	652,267,968
Taxation	305,608,164	185,129,429
Net profit for the period after taxation	620,263,652	467,138,539
Earnings per share – basic and diluted	3.54	2.66

Profit before taxation (PBT) for the period at Rs. 926 million was 42% higher than PBT of Rs. 652 million for the same period last year. Increase in PBT was mainly due to a 63% increase in revenue as compared to the corresponding period. Profit after tax (PAT) was 33% higher at Rs. 620 million (December 2021: Rs. 467 million). PAT did not increase in proportion with PBT mainly due to a charge for additional super tax of 4% imposed under the Finance Act, 2022.

Total income from operations at Rs. 2,705 million was 57% higher than income of Rs. 1,728 million earned in the first half of the previous financial year. The increase in income is primarily due to higher interest rates prevailing in the Country; the Karachi Interbank Offer Rate (KIBOR) increased to 17% as of December 31, 2022 from 10.5% in December 2021. Increase in the Company's lease and loan portfolio from Rs. 23.6 billion on December 31, 2021 to Rs. 26.3 billion as of December 31, 2022 also contributed to higher income.

Other income for the period increased by 122% to Rs. 365 million from Rs. 164 million in H1FY22. In current uncertain economic conditions, OLP is maintaining significantly higher liquidity in the form of liquid government securities. Higher other income is mainly attributable to return on investment in government securities. In addition, Yanal Finance Company, OLP's associated company in the Kingdom of Saudi Arabia, has shown strong results and OLP's share in profit of associate increased to Rs. 53 million from Rs. 24 million in the same period last year.

Finance cost increased by 112% to Rs. 1,433 million (December 2021: Rs. 675 million) which is in line with the increase in interest rates in the Country and a larger borrowing portfolio. Administrative and general expenses at Rs. 709 million (December 2021: Rs. 630 million) were 12.5% higher mainly due to inflationary impact on staff related cost.

Provision for the period July 2022 to December 2022 amounted to Rs. 32.5 million as compared to a reversal of Rs. 72.5 million during the same period last year. OLP has experienced marked improvement in its non-performing portfolio in the period under review, however, the companies provisioning model has been prudently adjusted to take into consideration deteriorating economic conditions.

## **Future Outlook**

Economic conditions are expected to remain volatile in the remaining part of the current fiscal year. With IMF reforms expected to be implemented soon, further increase in inflation and slowdown in economic activities are projected in the near future. The political environment will also play an important role in the future direction of the economy. Given these adverse circumstances, OLP will look to consolidate operations and focus on maintaining portfolio quality through strong risk management measures.

## **Performance of the Group**

In compliance with section 226 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 half year ended December 31, 2022.

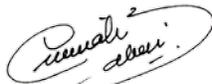
Financial Highlights of the Group's Performance are as follows:

Description	Half Year ended	
	December 2022	December 2021
	-----Rupees-----	
Profit before taxation	975,584,625	695,574,832
Taxation	328,429,715	207,026,262
Net profit for the period after taxation	647,154,910	488,548,570
Profit attributable to Equity shareholders of the		
Holding Company	605,599,102	450,575,261
Profit attributable to Non-controlling interest	41,555,808	37,973,310
Earnings per share – basic and diluted	3.45	2.57

On behalf of the Board

  
**Shaheen Amin**  
 Chief Executive Officer

February 24, 2023

  
**Aminah Zahid Zaheer**  
 Director

گروپ کی کارکردگی کے مالیاتی نتائج کی تفصیلات درج ذیل ہیں:

اختتامی ششماہی

دسمبر 2021ء	دسمبر 2022ء	
695,574,832	975,584,625	قبل از ٹیکس منافع
207,026,262	328,429,715	ٹیکسیشن
488,548,570	647,154,910	بعد از ٹیکس مدت کیلئے مجموعی منافع
450,575,261	605,599,102	ہولڈنگ کمپنی کے ایکویٹی شیئر ہولڈرز کا منافع
37,973,310	41,555,808	نان کنٹرولنگ انٹریٹ منافع
2.57	3.45	فی حصص آمدنی - بنیادی اور ڈیلویٹیٹ

از طرف بورڈ

  
آمنہ زاہد ظہیر  
ڈائریکٹر

  
شایمین امین  
چیف ایگزیکٹو آفیسر

24 فروری 2023ء

آپریشنز سے کل آمدنی مبلغ 2,705 ملین روپے حاصل ہوئی جو کہ گذشتہ مالی سال کی پہلی ششماہی میں حاصل کی گئی آمدنی مبلغ 1,728 ملین روپے سے 57 فیصد زیادہ تھی۔ آمدنی میں اضافہ بنیادی طور پر زائد شرح سود کے باعث ہوا۔ کراچی انٹرنیشنل آفر ریٹ (KIBOR) دسمبر 2021 میں 10.5% سے بڑھ کر 31 دسمبر 2022 تک 17% ہو گیا۔ کمپنی کے لیز اور لون پورٹ فولیو میں 31 دسمبر 2021 کو 23.6 ملین سے 31 دسمبر 2022 تک 26.3 بلین تک اضافے نے بھی زیادہ آمدنی میں اپنا کردار ادا کیا۔

دوران مدت دیگر آمدنی جو کہ مالیاتی سال 2022ء کی پہلی ششماہی میں 164 ملین تھی، 122 فیصد اضافہ کے ساتھ 365 ملین روپے ہو گئی۔ حالیہ غیر یقینی معاشی حالات میں، OLP لیکویٹیڈ گورنمنٹ سکیورٹیز کی شکل میں نمایاں طور پر زیادہ لیکویڈیٹی برقرار رکھے ہوئے ہے۔ زائد دیگر آمدنی بنیادی طور پر گورنمنٹ سکیورٹیز میں سرمایہ کاری پر ریٹرن سے منسوب ہیں۔ مزید یہ کہ سعودی عرب میں OLP کی ماحقہ کمپنی نیال فنانس کمپنی نے بہتر نتائج دیئے ہیں اور OLP کا مشترکہ منافع میں شیئر بڑھ کر 53 ملین روپے ہو گیا ہے جو کہ گذشتہ سال کی اسی مدت میں 24 ملین روپے تھا۔

مالیاتی لاگت 112 فیصد بڑھ کر 1,433 ملین روپے ہو گئی (دسمبر 2021: 675 ملین روپے) جو کہ ملک میں شرح سود میں اضافے اور قرض لینے کے بڑے پورٹ فولیو کی وجہ سے ہے۔ انتظامی اور عمومی اخراجات 709 ملین روپے (دسمبر 2021: 630 ملین روپے) رہے جو کہ 12.5% زائد تھے جو کہ بنیادی طور پر عملے سے متعلق لاگت پر انفرافز کے اثرات کے باعث ہوئے۔ جولائی 2022 سے دسمبر 2022 کی مدت کے لیے پروویژن 32.5 ملین روپے رہا جس کا موازنہ گذشتہ سال کی اسی مدت کے 72.5 ملین روپے کے رورسل سے کیا جاسکتا ہے۔ زیر جائزہ مدت میں OLP نے اپنے نان پرفارمنگ پورٹ فولیو میں نمایاں بہتری دیکھی ہے، تاہم، پروویژنگ ماڈل کو بگڑتے ہوئے معاشی حالات کو مد نظر رکھتے ہوئے سے ایڈجسٹ کیا گیا ہے۔

مستقبل کا منظر نامہ :

رواں مالی سال کے بقیہ حصے میں معاشی حالات کے اتار چڑھاؤ کی توقع ہے۔ IMF کی اصلاحات کے جلد نافذ ہونے کی توقع ہے، مستقبل قریب میں مہنگائی میں مزید اضافہ اور معاشی سرگرمیوں میں سست روی کا امکان ہے۔ سیاسی ماحول بھی معیشت کی مستقبل کی سمت میں اہم کردار ادا کرے گا۔ ان منفی حالات کے پیش نظر، OLP آپریشنز کو مستحکم کرنے اور مضبوط رسک مینجمنٹ اقدامات کے ذریعے پورٹ فولیو کے معیار کو برقرار رکھنے پر توجہ مرکوز کرے گا۔

گروپ کی کارکردگی:

کمپنیز ایکٹ 2017 کے سیکشن 226 کی تعمیل کے تحت، 31 دسمبر 2022ء کی اختتامی مدت کیلئے OLP اور اس کے ذیلی اداروں (گروپ) یعنی OLP سروسز پاکستان (پرائیویٹ) لمیٹڈ اور OLP مضاربہ کے مجموعی مالیاتی گوشوارے اس رپورٹ کے ساتھ منسلک ہیں۔

## 31 دسمبر 2022ء کو اختتام پذیر ہونے والی ششماہی کیلئے غیر مجموعی مالیاتی گوشواروں پر ڈائریکٹرز کی جائزہ رپورٹ

OLP فنانشل سروسز پاکستان لمیٹڈ (OLP/کمپنی) کے بورڈ آف ڈائریکٹرز 31 دسمبر 2022ء کو اختتام پذیر ہونے والی ششماہی کیلئے غیر آڈٹ شدہ مجموعی مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

### معاشی جائزہ:

مہنگائی، کرنٹ اکاؤنٹ خسارہ، تباہ کن سیلاب اور سیاسی بے یقینی کی صورتحال کے باعث پاکستان کی معیشت کو شدید چیلنجز کا سامنا ہے۔ مالیاتی سال 2022 میں GDP کی شرح نمو 5.97 فیصد رہی، توقع ہے کہ مالیاتی سال 2023 میں معاشی شرح نمو 2 فیصد ہوگی، جو سیاسی صورت حال کے بگڑنے پر مزید کم ہو سکتی ہے۔

اس وقت ملک کئی دہائیوں کی بلند ترین مہنگائی سے گزر رہا ہے، جنوری 2023 کے لیے کنزیومر پرائس انڈیکس (CPI) میں سالانہ 27.5 فیصد اضافہ ہوا جس کی بنیادی وجہ عالمی اجناس کی زائد قیمتیں، ملک میں تباہ کن سیلاب اور روپے کی تیزی سے گرتی ہوئی قدر ہے۔ بیرونی طور پر، کرنٹ اکاؤنٹ خسارہ (CAD) بھی معیشت کے لیے ایک شدید چیلنج ہے۔ غیر ملکی کرنسی کی کم ترین سطح (دو سے تین ہفتوں کی درآمدات کے برابر) اور حکومت کی جانب سے بین الاقوامی بانڈ مارکیٹوں سے مزید قرض حاصل کرنے میں ناکامی پر ملک کے پاس انٹرنیشنل مانیٹری فنڈ (IMF) سے نمٹنے اور اس کی اصلاحات کی شرائط کو قبول کرنے کے علاوہ کوئی چارہ نہیں ہے۔ IMF پروگرام سے منسلک سخت شرائط کو قبول کرنے سے افراط زر میں مزید اضافہ اور معاشی سست روی میں تیزی آنے کی توقع ہے۔

مہنگائی کے دباؤ کو کم کرنے کے لیے، جنوری 2023 میں اسٹیٹ بینک آف پاکستان (SBP) نے اپنی پالیسی ریٹ کو بڑھا کر 17% کر دیا جو ستمبر 2021 میں 7% تھا۔ مزید برآں، اسٹیٹ بینک کی جانب سے غیر ملکی کرنسی کی ادائیگیوں اور درآمدات پر پابندیوں سے CAD میں کمی آئی ہے البتہ اس کی وجہ سے صنعتی سرگرمیوں میں نمایاں کمی آئی ہے۔ موجودہ کاروباری ماحول میں تمام معاشی شعبہ جات کو غیر یقینی صورتحال کا سامنا ہے اور آئندہ چند ماہ میں کاروباری سرگرمیاں ماند پڑنے کی توقع ہے۔

### مالیاتی نتائج اور کاروباری جائزہ:

#### اختتامی ششماہی

دسمبر 2021ء	دسمبر 2022ء	
652,267,968	925,871,816	قبل از ٹیکس منافع
185,129,429	305,608,164	ٹیکسیشن
467,138,539	620,263,652	بعد از ٹیکس مدت کیلئے مجموعی منافع
2.66	3.54	نی حصص آمدنی۔ بنیادی اور ڈیلویٹ

زیر جائزہ مدت کیلئے قبل از ٹیکس منافع (PBT) مبلغ 926 ملین روپے رہا جو کہ گذشتہ سال کی اسی مدت کے PBT مبلغ 652 ملین روپے سے 42 فیصد زیادہ تھا۔ PBT میں اضافہ بنیادی طور پر آمدنی میں 63 فیصد اضافہ کے باعث ہوا۔ بعد از ٹیکس منافع (PAT) مبلغ 620 ملین روپے رہا (دسمبر 2021 مبلغ 467 ملین روپے) جو کہ 33 فیصد زیادہ تھا۔ بنیادی طور پر فنانس ایکٹ 2022 کے تحت عائد 4% اضافی سپرنٹیکس کے چارج کے باعث PBT کے تناسب سے PAT میں اضافہ نہیں ہوا۔



**INDEPENDENT AUDITOR'S REVIEW REPORT**

**To the members of OLP Financial Services Pakistan Limited**

**Report on Review of Unconsolidated Condensed Interim Financial Statements**

***Introduction***

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of OLP Financial Services Pakistan Limited ("the Company") as at December 31, 2022 and the related 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, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures for the quarters ended December 31, 2022 and December 31, 2021 in the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of profit or loss and other comprehensive income have not been reviewed and we do not express a conclusion thereon.

***Scope of Review***

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditors' review report is **Noman Abbas Sheikh**.

  
A.F. Ferguson & Co.  
Chartered Accountants  
Karachi  
Dated: February 27, 2023  
UDIN: RR202110061YvrMw5UNP

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD

# Unconsolidated Condensed Interim Statement Of Financial Position

As at December 31, 2022

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	-----Rupees-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	5	1,214,459,045	1,289,260,170
Intangible assets	6	1,748,396	695,415
Net investment in finance lease	7	12,916,842,115	13,436,624,395
Current maturity		(6,680,955,804)	(6,867,323,292)
Allowance for potential lease losses		(55,001,441)	(73,912,352)
		(6,735,957,245)	(6,941,235,644)
		6,180,884,870	6,495,388,751
Investment in subsidiaries		322,374,294	322,374,294
Investment in associate		1,386,852,038	1,207,909,411
Long-term investments	8	-	194,786,354
Long-term finances and loans		7,388,495,741	7,009,195,274
Long-term deposits		11,689,271	11,530,566
		16,506,503,655	16,531,140,235
<b>Current assets</b>			
Short-term finances		42,560,381	19,784,894
Accrued return on investments and finances		295,224,684	229,747,582
Current maturity of non-current assets	9	12,136,582,787	11,109,070,927
Short-term investments	10	3,394,884,253	577,218,551
Advances and prepayments		48,057,930	28,767,080
Other receivables		103,890,579	71,583,510
Cash and bank balances	24	240,601,515	870,337,328
Defined benefit plan asset		27,256,484	27,256,484
		16,289,058,613	12,933,766,356
Assets classified as held for sale	11	264,747,437	264,747,437
		33,060,309,705	29,729,654,028
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
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		7,514,530,454	7,160,104,770
		9,268,606,924	8,914,181,240
<b>Non-current liabilities</b>			
Long-term finances	13	10,045,875,500	9,414,506,693
Long-term certificates of deposit		1,919,883,270	2,096,072,585
Deferred taxation		377,152,432	362,891,625
Other long-term liabilities		378,051,731	336,434,019
		12,720,962,933	12,209,904,922
<b>Current liabilities</b>			
Trade and other payables		1,249,528,725	1,263,660,464
Accrued interest / mark-up / profit on loans, finances and certificates of deposit		436,336,245	374,094,585
Unpaid dividend		321,753,904	168,373,952
Unclaimed dividend		40,046,049	34,303,297
Short-term borrowings	14	1,613,816,210	339,499,845
Short-term certificates of deposit		2,539,353,422	1,561,178,241
Taxation - net		262,526,087	233,347,546
Current maturity of non-current liabilities	15	4,607,379,206	4,631,109,936
		11,070,739,848	8,605,567,866
		33,060,309,705	29,729,654,028
<b>Contingencies and commitments</b>			
	16		

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

  
**Shaheen Amin**  
Chief Executive Officer

  
**Aminah Zahid Zaheer**  
Director

  
**Ramon Alfrey**  
Chief Financial Officer

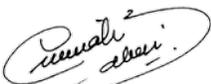
# Unconsolidated Condensed Interim Statement Of Profit Or Loss (Un-audited)

For The Half Year And Quarter Ended December 31, 2022

	Note	Half year ended		Quarter ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
		-----Rupees-----		-----Rupees-----	
<b>INCOME</b>					
<b>Income from operations</b>					
Finance leases		1,354,636,408	1,050,510,587	702,631,412	523,517,977
Income from operating lease and ijarah		13,305,312	19,143,079	5,254,761	11,158,871
Mark-up on finances and loans		1,336,720,644	658,064,034	717,220,140	357,458,042
		<u>2,704,662,364</u>	<u>1,727,717,700</u>	<u>1,425,106,313</u>	<u>892,134,890</u>
<b>Income from other activities</b>					
Other income - net	17	364,578,853	164,543,944	177,122,884	80,887,866
Share of profit from associate	18	53,203,643	23,980,167	30,759,934	13,245,822
		417,782,496	188,524,111	207,882,818	94,133,688
		<u>3,122,444,860</u>	<u>1,916,241,811</u>	<u>1,632,989,131</u>	<u>986,268,578</u>
<b>EXPENSES</b>					
Finance cost	19	1,433,423,428	675,320,340	746,383,508	352,465,176
Administrative and general expenses		709,162,281	629,916,519	359,411,417	320,817,920
Direct cost		21,438,261	31,185,139	11,516,536	21,110,796
		<u>2,164,023,970</u>	<u>1,336,421,998</u>	<u>1,117,311,461</u>	<u>694,393,892</u>
<b>Profit before provision and taxation</b>		<u>958,420,890</u>	<u>579,819,813</u>	<u>515,677,670</u>	<u>291,874,686</u>
Provision / (reversal of provision) against potential leases and other loan losses - net		14,359,893	(84,497,026)	(18,091,296)	(65,824,541)
Other provision - net	20	18,189,181	12,048,871	12,490,960	5,769,754
		32,549,074	(72,448,155)	(5,600,336)	(60,054,787)
<b>Profit before taxation</b>		<u>925,871,816</u>	<u>652,267,968</u>	<u>521,278,006</u>	<u>351,929,473</u>
Taxation - Current		349,675,607	293,979,780	174,031,916	168,197,836
- Prior		(16,473,748)	(3,779,032)	(16,473,748)	(3,779,032)
- Deferred		(27,593,695)	(105,071,319)	9,438,210	(65,937,374)
		<u>305,608,164</u>	<u>185,129,429</u>	<u>166,996,378</u>	<u>98,481,430</u>
<b>Net profit for the period after taxation</b>		<u>620,263,652</u>	<u>467,138,539</u>	<u>354,281,628</u>	<u>253,448,043</u>
<b>Earnings per share - basic and diluted</b>	25	<u>3.54</u>	<u>2.66</u>	<u>2.02</u>	<u>1.44</u>

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

  
**Shaheen Amin**  
 Chief Executive Officer

  
**Aminah Zahid Zaheer**  
 Director

  
**Ramon Alfrey**  
 Chief Financial Officer

# Unconsolidated Condensed Interim Statement Of Profit Or Loss And Other Comprehensive Income (Un-audited)

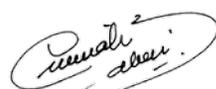
For The Half Year And Quarter Ended December 31, 2022

Note	Half year ended		Quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	-----Rupees-----		-----Rupees-----	
<b>Profit for the period after taxation</b>	620,263,652	467,138,539	354,281,628	253,448,043
<b>Other comprehensive income / (loss)</b>				
<b>Items that will be subsequently reclassified to statement of profit or loss</b>				
Exchange gain / (loss) arising on translation of foreign associate	124,146,482	118,459,426	(13,427,201)	32,079,373
Deferred tax on exchange gain / (loss) arising on translation of foreign associate	(40,968,339)	(25,764,922)	4,397,746	(6,977,259)
	83,178,143	92,694,504	(9,029,455)	25,102,114
<b>Items that will not be subsequently reclassified to statement of profit or loss</b>				
Fair value changes on remeasurement of financial assets	1,043,245	995,819	(6,417,544)	490,396
Deferred tax on fair value changes on remeasurement of financial assets	(344,271)	(216,591)	2,117,790	(106,661)
	698,974	779,228	(4,299,754)	383,735
Share of other comprehensive income of associate	1,642,103	743,434	1,165,269	512,671
Deferred tax on share of other comprehensive income of associate	(541,894)	(161,697)	(384,539)	(111,506)
	1,100,209	581,737	780,730	401,165
<b>Total comprehensive income for the period</b>	<b>705,240,978</b>	<b>561,194,008</b>	<b>341,733,149</b>	<b>279,335,057</b>

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



**Shaheen Amin**  
Chief Executive Officer



**Aminah Zahid Zaheer**  
Director



**Ramon Alfrey**  
Chief Financial Officer

# Unconsolidated Condensed Interim Statement Of Cash Flows (Un-audited)

For The Half Year Ended December 31, 2022

	Note	Half year ended	
		December 31, 2022	December 31, 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation for the period		925,871,816	652,267,968
<b>Adjustments for:</b>			
Depreciation and amortisation		54,963,210	57,827,703
Amortisation of transaction cost		4,285,473	-
Provision / (reversal of provision) against potential lease and other loan losses - net	19	14,359,893	(84,497,026)
Other provision - net		18,189,181	12,048,871
Gain on sale on investments - net		(135,187,990)	(8,054,478)
Charge for defined benefit plan		9,409,377	11,281,717
Share of profit from associate		(53,203,643)	(23,980,167)
Fair value changes on remeasurement of financial assets at fair value through profit or loss		254,752	376,366
Finance cost including bank charges		1,429,137,955	675,320,340
Dividend income		(9,076,706)	(13,920,801)
Return on investments and deposits		(65,685,154)	(32,351,218)
Gain on disposal of fixed assets		(645,340)	(1,794,886)
Other exchange gain - net		(1,166,978.00)	(567,589.00)
		1,265,634,030	591,688,832
<b>Operating cash flows before working capital changes</b>		2,191,505,846	1,243,956,800
<b>(Increase) / decrease in operating assets</b>			
Investment in finance lease - net		455,425,464	131,100,092
Long-term finances and loans - net		(1,726,174,398)	(2,157,118,681)
Short-term finances		(20,856,573)	2,769,762
Long-term deposits		(158,705)	(9,000)
Advances and prepayments		(19,290,850)	(851,695)
Other receivables		(98,044,393)	(36,629,629)
		(1,409,099,455)	(2,060,739,151)
<b>Increase / (decrease) in operating liabilities</b>			
Other long term liabilities - net		(227,388,418)	(231,118,258)
Trade and other payables		(32,909,745)	406,874,702
		(260,298,163)	175,756,444
<b>Cash generated from / (used in) operating activities</b>		522,108,228	(641,025,907)
Payment against staff retirement benefits		(8,560,332)	(10,221,012)
Income tax paid		(303,973,718)	(289,534,100)
		(312,534,050)	(299,755,112)
<b>Net cash generated from / (used in) operating activities</b>		209,574,178	(940,781,019)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred - own use and intangible assets		(10,478,276)	(15,098,579)
Proceeds from disposal of assets - own use		800,635	3,110,203
Investments - net		(2,220,582,276)	(3,488,693,770)
Dividend received		9,076,706	13,920,801
Interest received		(3,397,716)	(1,033,413)
<b>Net cash used in investing activities</b>		(2,224,580,927)	(3,487,794,758)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term finance		3,000,000,000	5,800,000,000
Short-term borrowings		1,000,000,000	(900,000,000)
Certificates of deposit redeemed / issued - net		213,804,926	73,886,604
Repayment of long term loans		(1,808,761,722)	(1,872,222,222)
Finance cost paid		(1,086,659,519)	(401,597,232)
Payment of lease liability against right-of-use assets		(15,736,524)	(16,044,721)
Dividend paid		(191,692,590)	(372,144,510)
<b>Net cash generated from financing activities</b>		1,110,954,571	2,311,877,919
<b>Net decrease in cash and cash equivalents</b>		(904,052,178)	(2,116,697,858)
Cash and cash equivalents at beginning of the period		530,837,483	(309,588,121)
<b>Cash and cash equivalents at end of the period</b>	24	(373,214,695)	(2,426,285,979)

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

  
**Shaheen Amin**  
 Chief Executive Officer

  
**Aminah Zahid Zaheer**  
 Director

  
**Ramon Alfrey**  
 Chief Financial Officer

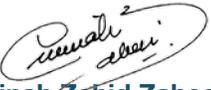
# Unconsolidated Condensed Interim Statement Of Changes in Equity (Un-audited)

For The Half Year Ended December 31, 2022

Issued, subscribed and paid-up capital	Reserves						Total reserves	Total shareholders equity	
	Capital reserves					Revenue reserve			
	Share premium	Statutory reserve (note 19.4)	Foreign currency translation reserve	Net surplus / (deficit) on re-measurement of financial assets at fair value through other comprehensive income	Surplus on revaluation of leasehold land and office building (note 20)	Unappropriated profit			
<b>Rupees</b>									
<b>Balance as at July 1, 2021 (audited)</b>	1,754,076,470	1,501,683,073	1,782,941,804	213,948,996	(207,316,340)	844,238,868	2,635,930,890	6,771,427,291	8,525,503,761
<b>Total comprehensive income for the half year ended December 31, 2021</b>									
Profit for the period	-	-	-	-	-	-	467,138,539	467,138,539	467,138,539
Other comprehensive income	-	-	-	92,694,504	779,228	-	581,737	94,055,469	94,055,469
<b>Total comprehensive income for the period</b>	-	-	-	92,694,504	779,228	-	467,720,276	561,194,008	561,194,008
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	-	-	-	(9,139,812)	9,139,812	-	-
<b>Transactions with owners recorded directly in equity</b>									
Final cash dividend @ Rs.2 per ordinary share of Rs. 10 each for the year ended June 30, 2021 approved on October 26, 2021	-	-	-	-	-	-	(350,815,294)	(350,815,294)	(350,815,294)
<b>Balance as at December 31, 2021 (un-audited)</b>	1,754,076,470	1,501,683,073	1,782,941,804	306,643,500	(206,537,112)	835,099,056	2,761,975,684	6,981,806,005	8,735,882,475
<b>Balance as at July 1, 2022 (audited)</b>	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
<b>Total comprehensive income for the half year ended December 31, 2022</b>									
Profit for the period	-	-	-	-	-	-	620,263,652	620,263,652	620,263,652
Other comprehensive income	-	-	-	83,178,143	698,974	-	1,100,209	84,977,326	84,977,326
<b>Total comprehensive income for the period</b>	-	-	-	83,178,143	698,974	-	621,363,861	705,240,978	705,240,978
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	-	-	-	(8,989,878)	8,989,878	-	-
Transferred from deficit on revaluation of financial asset at FVTOCI on disposal of investment - net of tax	-	-	-	-	186,995,565	-	(186,995,565)	-	-
<b>Transactions with owners recorded directly in equity</b>									
Final cash dividend @ Rs.2 per ordinary share of Rs. 10 each for the year ended June 30, 2022 approved on October 27, 2022	-	-	-	-	-	-	(350,815,294)	(350,815,294)	(350,815,294)
<b>Balance as at December 31, 2022 (un-audited)</b>	1,754,076,470	1,501,683,073	1,827,052,323	455,496,314	7,726,160	814,621,689	2,907,950,895	7,514,530,454	9,268,606,924

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

  
**Shaheen Amin**  
 Chief Executive Officer

  
**Aminah Zahid Zaheer**  
 Director

  
**Ramon Alfrey**  
 Chief Financial Officer

# Notes To And Forming Part Of The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

## 1 LEGAL STATUS AND OPERATIONS

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.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a long-term rating of AA+ (2021: AA+) and a short-term rating of A1+ (2021: A1+) to the Company on March 03, 2022 (2021: March 03, 2021).

## 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

# Notes To And Forming Part Of The Unconsolidated Condensed Interim Financial Statements (Un-audited)

## For The Half Year Ended December 31, 2022

- 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, 2022.
- 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, 2022, 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 half year ended December 31, 2021.
- 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, 2022.
- 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, 2022.
- 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, 2022 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, 2023. 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.

# Notes To And Forming Part Of The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

## 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, 2022.

## 5 FIXED ASSETS

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
-----Rupees-----		
Own use	1,056,379,319	1,082,864,333
Operating lease	74,309,948	114,168,578
Ijarah assets	1,463,220	3,076,782
Right-of-use asset	82,306,558	89,150,477
	<u>1,214,459,045</u>	<u>1,289,260,170</u>

5.1 The following is a statement of cost of additions and disposals to / from fixed assets for the half year ended December 31, 2022.

	Own use		Right-of-use assets		Asset under Operating Lease		Asset under Ijarah financing	
	Additions	Disposals	Additions	Disposals	Additions	Disposals / Transfers	Additions	Disposals
----- (Rupees) -----								
Right-of-use assets	-	-	6,224,687	1,144,132	-	-	-	-
Generators / machinery	70,200	-	-	-	-	49,577,438	-	9,700,000
Leasehold improvements	1,284,386	54,000	-	-	-	-	-	-
Furniture, fittings and office equipment	1,796,694	1,939,641	-	-	-	-	-	-
Computers and accessories	3,618,148	3,415,501	-	-	-	-	-	-
Vehicles	1,852,000	308,890	-	-	-	-	-	-
<b>December 31, 2022</b>	<b>8,621,428</b>	<b>5,718,032</b>	<b>6,224,687</b>	<b>1,144,132</b>	<b>-</b>	<b>49,577,438</b>	<b>-</b>	<b>9,700,000</b>
December 31, 2021	15,031,897	11,117,290	11,016,868	-	-	-	-	3,633,500

## 6 INTANGIBLE ASSETS

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
-----Rupees-----		
Computer software and license	1,748,396	695,415

6.1 Additions amounting to Rs. 1,856,848 (December 2021: Rs. 66,682) were made to intangible assets during the half year ended December 31, 2022. No disposals were made during the period.

## 7 NET INVESTMENT IN FINANCE LEASE

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
-----Rupees-----		
Instalment contract receivables	16,542,280,577	16,831,144,200
Residual value	6,954,729,981	7,223,673,546
Less: adjustable security deposits	(6,942,366,228)	(7,209,618,143)
Gross investment in finance lease	16,554,644,330	16,845,199,603
Less: unearned finance income	3,637,802,215	3,408,575,208
Present value of investment in finance lease	<u>12,916,842,115</u>	<u>13,436,624,395</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 14.00% to 27.43% (June 30, 2022: 12.52% to 27.55%) per annum. These are secured against leased assets, security deposits averaging 23.76% (June 30, 2022: 23.41%) of the cost of leased assets and personal guarantees.

# Notes To And Forming Part Of The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
-----Rupees-----			
<b>8 LONG-TERM INVESTMENTS</b>			
<b>At amortised cost</b>			
Pakistan Investment Bonds (PIBs)	8.1	196,211,199	588,235,272
<b>At fair value through other comprehensive income</b>			
Sama Finance PSC - related party	8.2	-	279,097,858
Less: Fair value change in remeasurement of financial assets		-	(279,097,858)
		-	-
Less: current maturity	9	196,211,199	393,448,918
		-	194,786,354
<b>8.1</b>	This represents investment made as required under Regulation 14(4)(g) of the NBFC Regulations to maintain liquidity against certificates of deposit. These carry coupon rate of 7.00% (June 30, 2022: 7.00% to 12.00%) per annum and are due to mature latest by August 20, 2023 (June 30, 2022: August 20, 2023).		
<b>8.2</b>	During the period, investment in Sama Finance PSC has been disposed off to Al Hail Holding LLC.		
		(Un-audited) December 31, 2022	(Audited) June 30, 2022
-----Rupees-----			
<b>9 CURRENT MATURITY OF NON-CURRENT ASSETS</b>	Note		
<b>Current maturity of:</b>			
Net investment in finance lease		6,680,955,804	6,867,323,292
Allowance for potential lease losses		(632,516,567)	(678,394,356)
		6,048,439,237	6,188,928,936
Long-term investments	8	196,211,199	393,448,918
Long-term finances and loans		6,099,958,447	4,729,893,420
Allowance for potential loan losses		(208,026,096)	(203,200,347)
		5,891,932,351	4,526,693,073
		12,136,582,787	11,109,070,927
<b>10 SHORT-TERM INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Market treasury bills	10.1	3,371,114,756	554,492,300
<b>At fair value through other comprehensive income</b>			
Ordinary shares - unlisted		23,769,497	22,726,251
		3,394,884,253	577,218,551

**10.1** These include investment amounted to Rs. 520,454,770 (June 30, 2022: Rs. 111,509,376) 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 4 months (June 30, 2022: 1 month) from the reporting date, carrying yield ranging from 15.67% to 16.98% (June 30, 2022: 11.34% to 14.45%) per annum.

# Notes To And Forming Part Of The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
-----Rupees-----			
<b>11 ASSETS CLASSIFIED AS HELD FOR SALE</b>			
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
		<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 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. In 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 negotiations are in process on same terms and conditions despite expiration of long stop date of Sale Purchase Agreement (SPA) on May 31, 2022.

## 12 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

(Un-audited) December 31, 2022	(Audited) June 30, 2022		(Un-audited) December 31, 2022	(Audited) June 30, 2022
----- (Number of shares) -----			----- (Rupees) -----	
		<b>Ordinary shares of Rs. 10 each</b>		
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>

# Notes To And Forming Part Of The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	-----Rupees-----	
<b>13</b>	<b>LONG-TERM FINANCES - Secured</b>		
Long-term finances utilised under mark-up arrangements - financial institutions	13.1	11,351,388,884	10,161,111,106
Privately placed term finance certificates	13.2	3,000,000,000	3,000,000,000
Less: unamortised transaction cost		12,457,829	16,743,302
Less: current maturity	15	4,293,055,555	3,729,861,111
		4,305,513,384	3,746,604,413
		<u>10,045,875,500</u>	<u>9,414,506,693</u>
<b>13.1</b>	The Company has unutilised long term finance facilities of Rs. 1,500 million as at December 31, 2022 (June 30, 2022: Rs. 500 million). 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 15.60% to 17.86% (June 30, 2022: 10.73% to 15.42%) per annum. These finances are repayable within a period up to 60 months (June 30, 2022: up to 60 months).		
<b>13.2</b>	In the prior year June 30, 2022, the Company has issued Rs. 3 billion of rated, privately placed, secured term finance certificates ("TFCs") as an instrument of redeemable capital. These carry markup at 3 months KIBOR plus 0.8% and will mature on December 30, 2026 and are secured against hypothecation charge on receivables of the Company.		
<b>14</b>	<b>SHORT-TERM BORROWINGS - Secured</b>		
		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	-----Rupees-----	
<b>From banking companies</b>			
Running finance arrangements	14.1	613,816,210	339,499,845
Short-term loans	14.2	1,000,000,000	-
		<u>1,613,816,210</u>	<u>339,499,845</u>
<b>14.1</b>	These represent short-term running finance facilities from commercial banks for financing of operations with limits aggregating to Rs. 3,100 million as at December 31, 2022 (June 30, 2022: Rs. 3,100 million). These facilities have been obtained for financing of day to day operations. The rate of mark-up ranges from 16.22% to 17.33% (June 30, 2022: 12.40% to 14.81%) per annum on a daily product basis. These are secured by hypothecation of leased assets, related lease receivables and financing receivables.		
<b>14.2</b>	This represents short-term loan obtained from Allied Bank Limited during the period for financing of operations and is secured by hypothecation of leased assets, related lease receivables and financing receivables. This carries mark-up at 3 months KIBOR minus 0.55% and is due to mature by February 28, 2023.		
<b>15</b>	<b>CURRENT MATURITY OF NON-CURRENT LIABILITIES</b>		
		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	-----Rupees-----	
<b>Current maturity of:</b>			
Long-term finances	13	4,293,055,555	3,729,861,111
Long-term certificates of deposit		290,797,320	878,978,260
Lease liability against right-of-use assets		23,526,331	22,270,565
		<u>4,607,379,206</u>	<u>4,631,109,936</u>

# Notes To And Forming Part Of The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

## 16 CONTINGENCIES AND COMMITMENTS

**16.1** There was no change in the status of contingencies, except for the following, as disclosed in the note 31 to the annual audited published unconsolidated financial statements to the Company for the year ended June 30, 2022.

**16.1.1** Through Finance Act 2022, the Federal Government has levied Super Tax up to 4% on high earning persons / companies for the tax year 2022 and onwards. The Company's legal advisor is of the opinion that levy of super tax is unlawful and leading to double taxation. Accordingly, the Company has filed constitutional petition before the Sindh High Court (SHC) dated December 27, 2022 challenging the levy of super tax. The SHC has granted stay, on submission of bank guarantee, till the decision has been made. On January 27, 2023, the SHC dismissed the petition stating levy of super tax is lawful, however, it will not be applied retrospectively i.e. for Tax Year 2022.

The Company has already made a provision amounting to Rs. 87 million against the super tax for prior year.

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

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

**16.2** Commitments relating to capital expenditure at the reporting date amounted to Nil (June 30, 2022: Rs.0.63 million).

	Note	Half year ended	
		December 31, 2022	December 31, 2021
		-----Rupees-----	
<b>17 OTHER INCOME - NET</b>			
<b>Income from financial assets</b>			
Return on investments and deposits		8,301,805	1,117,259
Interest income on government securities		57,383,349	31,233,959
Dividend income		9,076,706	13,920,801
Gain on sale of investments - net		135,187,990	8,054,478
Unrealised loss on remeasurement of financial assets at fair value through profit or loss - net		(254,752)	(376,366)
		209,695,098	53,950,131
<b>Income from other than financial assets</b>			
Fee and other income	17.1	94,975,054	66,659,167
Documentation fee		17,667,366	17,713,863
Gain on disposal of fixed assets		662,616	1,794,886
Gain on cancellation of leases and finance and loans		40,411,741	23,858,308
Exchange gain / (loss) - net		1,166,978	567,589
		154,883,755	110,593,813
		364,578,853	164,543,944

**17.1** This includes a grant received from Karandaaz Pakistan amounting to Rs. 5 million for IT related consultancy services during the period ended December 31, 2022.

# Notes To And Forming Part Of The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

## 18 SHARE OF PROFIT FROM ASSOCIATE

Name of associate	(Un-audited)			
	Half year ended December 31, 2022		Half year ended December 31, 2021	
	Associates' profit after tax	Share of associates' profit after tax	Associates' profit after tax	Share of associates' profit after tax
	----- (Rupees) -----			
<b>Un-quoted - related party</b>				
Y anal Finance Company	2,660,182,087	53,203,643	1,199,008,378	23,980,167

19 FINANCE COST	Note	Half year ended	
		December 31, 2022	December 31, 2021
		-----Rupees-----	
Interest / mark-up / profit on:			
- Long-term finances		1,025,606,581	350,403,588
- Short-term borrowings		114,598,751	63,077,375
- Certificates of deposit		278,231,684	251,247,709
- Lease liability against right-of-use assets		6,997,359	6,991,668
Amortisation of transaction cost		4,285,473	-
Bank charges		3,703,580	3,600,000
		<u>1,433,423,428</u>	<u>675,320,340</u>
<b>20 OTHER PROVISIONS - NET</b>			
Operating lease, investments and other receivables			
Provision / (reversal of provision) against operating lease receivable		260,221	(217,150)
Others			
Provision for Workers' Welfare Fund		17,928,960	12,266,021
		<u>18,189,181</u>	<u>12,048,871</u>

## 21 SEGMENT INFORMATION

The Company has four primary reporting segments namely, 'Finance lease', 'Finances & loans', 'Islamic Finance' and 'Operating lease', based on the nature of business and the related risks and returns associated with these segments. The finance lease operations are primarily for long-term leases of movable assets to corporate entities and individuals. Finances and loans are primarily extended to corporate entities and individuals for purchase of saloon vehicles. This segment also includes micro finance which primarily represents lending to the under-privileged community. This also includes term finance facility extended to corporates against property mortgage. Under the operating lease segment, the Company provides equipment on short-term rentals to corporate entities. Islamic Finance includes Ijarah and Diminishing Musharakah to corporate entities and individuals. Other operations, which do not fall into the above segment categories and are not deemed by the management to be sufficiently significant to disclose as separate items, are reported under 'Investment in subsidiaries, associates, and others'.

# Notes To And Forming Part Of The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

December 31, 2022						
Finance lease	Finances and loans	Operating lease	Islamic finance	Investment in subsidiaries, associates & others	Total	
(Rupees)						
<b>Segment analysis for the half year ended December 31, 2022 - (Un-audited)</b>						
Segment revenues	1,388,191,036	1,414,224,804	11,557,220	1,809,213	306,662,587	3,122,444,860
Finance cost	582,750,855	587,376,323	5,029,155	101,877	258,165,218	1,433,423,428
Administrative and general expenses	351,682,070	354,473,476	2,945,252	61,483	-	709,162,281
Direct cost	3,665,886	7,631,815	8,526,682	1,613,878	-	21,438,261
(Reversal of provision) / provision-net	(431,885)	14,791,778	260,221	-	-	14,620,114
<b>Segment results</b>	<b>450,524,110</b>	<b>449,951,412</b>	<b>(5,204,090)</b>	<b>31,975</b>	<b>48,497,369</b>	<b>943,800,776</b>
Provision for Workers' Welfare Fund						(17,928,960)
Provision for taxation						(305,608,164)
<b>Profit for the period</b>						<b>620,263,652</b>
<b>Other information - As at December 31, 2022</b>						
Segment assets	12,229,574,109	13,305,297,128	78,499,931	36,281,657	5,843,489,512	31,493,142,337
Unallocated assets						1,567,167,368
<b>Total assets</b>						<b>33,060,309,705</b>
Segment liabilities	306,459,797	314,082,788	2,582,271	-	-	623,124,856
Unallocated liabilities						23,168,577,925
<b>Total liabilities</b>						<b>23,791,702,781</b>
<b>Segment analysis for the half year ended December 31, 2022 - (Un-audited)</b>						
Depreciation	-	-	4,782,592	1,613,562	-	6,396,154
Unallocated capital expenditure	-	-	-	-	-	14,846,115
Unallocated addition to intangible asset	-	-	-	-	-	1,856,848
Unallocated depreciation and amortisation	-	-	-	-	-	48,567,056
(Rupees)						
<b>December 31, 2021</b>						
Finance lease	Finances and loans	Operating lease	Islamic finance	Investment in subsidiaries, associates & others	Total	
(Rupees)						
<b>Segment analysis for the half year ended December 31, 2021 - (Un-audited)</b>						
Segment revenues	1,114,930,716	675,656,123	17,003,419	2,144,660	106,506,893	1,916,241,811
Finance cost	354,646,099	228,446,800	3,262,242	1,505,985	87,459,214	675,320,340
Administrative and general expenses	417,091,191	197,503,233	4,334,396	1,077,327	9,910,372	629,916,519
Direct cost	8,432,082	10,226,234	10,724,329	1,802,494	-	31,185,139
(Reversal of provision) / provision-net	(92,659,526)	8,162,502	(217,152)	-	-	(84,714,176)
<b>Segment result</b>	<b>427,420,870</b>	<b>231,317,354</b>	<b>(1,100,396)</b>	<b>(2,241,146)</b>	<b>9,137,307</b>	<b>664,533,989</b>
Provision for Workers' Welfare Fund						(12,266,021)
Provision for taxation						(185,129,429)
<b>Profit for the period</b>						<b>467,138,539</b>
<b>Other information - As at June 30, 2022</b>						
Segment assets	12,684,567,695	11,482,898,783	120,993,799	42,880,131	3,262,757,005	27,594,097,413
Unallocated assets						2,135,556,615
<b>Total assets</b>						<b>29,729,654,028</b>
Segment liabilities	454,932,650	299,843,213	1,644,414	-	-	756,420,277
Unallocated liabilities						20,059,052,511
<b>Total liabilities</b>						<b>20,815,472,788</b>
<b>Segment analysis for the half year ended December 31, 2021 - (Un-audited)</b>						
Depreciation	-	-	5,051,136	1,772,394	-	6,823,530
Unallocated capital expenditure	-	-	-	-	-	26,048,765
Unallocated addition to intangible asset	-	-	-	-	-	66,682
Unallocated depreciation and amortisation	-	-	-	-	-	51,004,173

# Notes To And Forming Part Of The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

## 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)	
	Half year ended	
	December 31, 2022	December 31, 2021
	-----Rupees-----	
<b>ORIX Corporation, Japan - Parent Company - 49.58% Holding</b>		
Dividend paid - net of tax	-	160,876,952
Reimbursement of cost	-	401,445
<b>Yanal Finance Company (Formerly Saudi ORIX Leasing Company) - Associate / Common directorship - 2.5% ownership</b>		
Reimbursement of cost	12,548,527	13,002,760
<b>OLP Modaraba (formerly ORIX Modaraba) - Subsidiary - 20% ownership</b>		
Dividend income	9,076,706	13,161,224
Reimbursement of cost	292,828	299,184
<b>OLP Services Pakistan (Private) Limited (OSPPL) (formerly ORIX Services Pakistan (Private) Limited) - subsidiary company</b>		
Rental income / expenses on behalf of OSPPL	27,234,843	4,439,770
Term finance issued to OSPPL	15,000,000	-
Mark-up on finances and loans	841,651	-
<b>OLP Financial Services Pakistan Limited-Employees Provident Fund (OLP - EPF)</b>		
Contribution paid	15,564,440	15,559,431
<b>OLP Financial Services Pakistan Limited-Staff Gratuity Fund (OLP - SGF)</b>		
Contribution paid	8,560,332	10,221,012
<b>Charity / Donation paid - Common Directorship</b>		
The Layton Rahmatullah Benevolent Trust - Donation	1,000,000	500,000
The Indus Hospital - Donation	-	500,000

# Notes To And Forming Part Of The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

	(Un-audited)	
	Half year ended	
	December 31, 2022	December 31, 2021
	-----Rupees-----	
<b>Other related party transactions during the period</b>		
<b>Directors and Key Management Personnel</b>		
<b>Compensation of Directors and Key Management Personnel</b>		
Directors' fees paid	4,750,000	4,500,000
Short-term employee benefits	113,788,868	107,030,221
Retirement benefits	7,001,915	6,530,118
Total compensation to directors and key management personnel	125,540,783	118,060,339
<b>Other transactions with Key Management Personnel</b>		
Amount of profit on certificates of deposit	-	59,907
Staff loans disbursed	2,304,607	9,496,655
Interest recovered on staff loans	1,215,805	1,049,031
Principal recovered on staff loans	5,462,299	5,008,860
Dividend paid to the key management personnel - net of tax	202,487	294,707
Dividend paid to the Chief Executive Officer of the Company - net of tax	613,071	613,071
	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	-----Rupees-----	
<b>22.2 Balances with related parties as at period / year end</b>		
Investment in subsidiaries	322,374,294	322,374,294
Investment in associate - Yanal Finance Company - 2.5% ownership	1,386,852,038	1,207,909,411
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
Certificates of deposit held	-	1,300,000
Accrued profit on certificates of deposit payable	-	8,430
Outstanding loans to the key management personnel	22,333,848	25,491,540
Receivable from OLP Services Pakistan (Private) Limited (OSPPL) - Subsidiary	60,545,803	34,882,524
Term finance to OSPPL - Subsidiary	15,841,651	-
Receivable from OLP Modaraba - Subsidiary	-	143,959
Receivable from Yanal Finance Company - Associate	12,670,335	6,380,097
Receivable from ORIX Corporation, Japan - Parent Company	1,615,695	1,615,695
Payable (Unpaid dividend) to ORIX Corporation, Japan - Parent Company	321,753,904	160,876,952

# Notes To And Forming Part Of The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

## 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:

	<b>December 31, 2022 (Un-audited)</b>			
	<b>Fair value</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	----- (Rupees) -----			
<b>Financial assets at fair value through other comprehensive income</b>				
Ordinary shares - unlisted	-	23,769,497	-	23,769,497
<b>Financial assets at fair value through profit or loss</b>				
Market treasury bills	-	3,371,114,756	-	3,371,114,756
<b>Non-financial assets</b>				
Fixed assets (Leasehold land and building)	-	-	904,045,027	904,045,027
<b>Total</b>	-	3,394,884,253	904,045,027	4,298,929,280

# Notes To And Forming Part Of The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

June 30, 2022 (Audited)				
Fair value				
Level 1	Level 2	Level 3	Total	
----- (Rupees) -----				
<b>Financial assets at fair value through other comprehensive income</b>				
Ordinary shares - unlisted	-	22,726,251	-	22,726,251
<b>Financial assets at fair value through profit or loss</b>				
Market treasury bills	-	554,492,300	-	554,492,300
<b>Non-financial assets</b>				
Fixed assets (Leasehold land and building)	-	-	916,321,693	916,321,693
Total	-	577,218,551	916,321,693	1,493,540,244

		(Un-audited)	
		As at	
		December 31, 2022	December 31, 2021
		-----Rupees-----	
<b>24</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash at banks	238,839,048	161,583,911
	Cash in hand	1,762,467	1,727,519
		240,601,515	163,311,430
	Running finance arrangements	(613,816,210)	(2,589,597,409)
		(373,214,695)	(2,426,285,979)
		14	

		(Un-audited)	
		Half year ended	
		December 31, 2022	December 31, 2021
		-----Rupees-----	
<b>25</b>	<b>EARNINGS PER SHARE - BASIC AND DILUTED</b>		
	Profit for the period after taxation	620,263,652	467,138,539
		----- (Number of shares) -----	
	Weighted average number of ordinary shares	175,407,647	175,407,647
		-----Rupees-----	
	Earnings per share - basic and diluted	3.54	2.66

# Notes To And Forming Part Of The Unconsolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

**25.1** Diluted earnings per share has not been presented separately as the Company does not have any convertible instruments in issue as at December 31, 2022 and December 31, 2021, which would have any effect on the earnings per share if the option to convert is exercised.

## **26 DATE OF AUTHORISATION FOR ISSUE**

These unconsolidated condensed interim financial statements were authorised for issue on February 24, 2023 by the Board of Directors of the Company.

## **27 GENERAL**

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

  
**Shaheen Amin**  
Chief Executive Officer

  
**Aminah Zahid Zaheer**  
Director

  
**Ramon Alfrey**  
Chief Financial Officer

# **Consolidated Financial Statements**

# Consolidated Condensed Interim Statement Of Financial Position

As at December 31, 2022

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	-----Rupees-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	5	3,012,142,124	3,118,503,290
Intangible assets	6	23,412,816	27,543,796
Net investment in finance lease	7	12,916,842,115	13,436,624,395
Current maturity of net investment in finance lease		(6,680,955,804)	(6,867,323,292)
Allowance for potential lease losses		(55,001,441)	(73,912,352)
		(6,735,957,245)	(6,941,235,644)
		6,180,884,870	6,495,388,751
Investment in associate		1,386,852,038	1,207,909,411
Long-term investments	8	15,050,000	194,786,354
Long-term finances and loans		10,051,675,841	9,506,531,532
Long-term deposits		11,689,271	11,530,566
		20,681,706,960	20,562,193,700
<b>Current assets</b>			
Short-term finances		42,560,381	19,784,894
Accrued return on investments and term finance		295,224,684	273,255,561
Current maturity of non-current assets	9	13,414,794,749	12,374,309,673
Short-term investments	10	3,650,435,238	577,218,551
Advances and prepayments		282,828,155	396,225,657
Other receivables		180,964,050	176,377,517
Cash and bank balances		446,269,155	1,392,563,962
Defined benefit plan asset		27,256,484	27,256,484
Net investment in Ijarah finance		370,000	370,000
		18,340,702,896	15,237,362,299
Assets classified as held for sale	11	264,747,437	264,747,437
<b>Total assets</b>		<b>39,287,157,293</b>	<b>36,064,303,436</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital		3,500,000,000	3,500,000,000
350,000,000 (2022: 350,000,000) Ordinary shares of Rs.10 each			
Issued, subscribed and paid-up capital	12	1,754,076,470	1,754,076,470
Reserves		7,432,143,565	7,092,382,431
Total equity attributable to equity holder of the Holding Company		9,186,220,035	8,846,458,901
Non-controlling interest		901,935,656	932,993,496
		10,088,155,691	9,779,452,397
<b>Non-current liabilities</b>			
Long-term finances	13	10,806,246,530	10,564,516,549
Long-term certificates of deposit		1,919,883,270	2,096,072,585
Long-term deposits		289,401,554	313,124,339
Deferred taxation		291,304,730	299,991,506
Other long-term liabilities		378,051,731	336,434,018
Redeemable capital		387,500,000	415,700,000
		14,072,387,815	14,025,838,997
<b>Current liabilities</b>			
Trade and other payables		1,461,393,219	1,525,466,115
Accrued interest / mark-up on loans, finances and certificates of deposit		586,496,753	475,058,873
Unpaid dividend		321,753,904	168,373,952
Unclaimed dividend		100,891,394	93,082,962
Short-term borrowings	14	1,613,816,210	339,499,845
Short-term certificates of deposit		2,539,353,422	1,561,178,241
Current maturity of non-current liabilities	15	8,182,142,747	7,826,539,830
Taxation-net		320,766,138	269,812,224
		15,126,613,787	12,259,012,042
<b>Total equity and liabilities</b>		<b>39,287,157,293</b>	<b>36,064,303,436</b>
<b>Contingencies and Commitments</b>			
	16		

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

  
**Shaheen Amin**  
Chief Executive Officer

  
**Aminah Zahid Zaheer**  
Director

  
**Ramon Alfrey**  
Chief Financial Officer

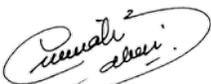
# Consolidated Condensed Interim Statement Of Profit Or Loss (Un-audited)

For The Half Year And Quarter Ended December 31, 2022

	Note	Half year ended		Quarter ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
		-----Rupees-----		-----Rupees-----	
<b>INCOME</b>					
Income from operations					
Finance leases		1,354,636,408	1,050,510,587	702,631,412	523,517,977
Operating leases		488,295,686	545,506,365	241,907,876	271,632,323
Mark-up on finances and loans		1,693,972,181	847,903,392	905,799,627	454,742,636
		<u>3,536,904,275</u>	<u>2,443,920,344</u>	<u>1,850,338,915</u>	<u>1,249,892,936</u>
<b>Income from other activities</b>					
Other income - net	17	411,145,625	181,879,047	198,032,816	91,627,927
Share of profit from associate	18	53,203,643	23,980,167	30,759,934	13,245,822
		<u>464,349,268</u>	<u>205,859,214</u>	<u>228,792,750</u>	<u>104,873,749</u>
		<u>4,001,253,543</u>	<u>2,649,779,558</u>	<u>2,079,131,665</u>	<u>1,354,766,685</u>
<b>EXPENSES</b>					
Finance cost	19	1,810,445,965	839,391,692	934,828,039	435,261,119
Administrative and general expenses		832,307,490	741,641,526	415,700,155	376,819,159
Direct cost		363,265,173	450,050,944	179,969,337	225,468,474
		<u>3,006,018,628</u>	<u>2,031,084,162</u>	<u>1,530,497,531</u>	<u>1,037,548,752</u>
<b>Profit before provision and taxation</b>		<u>995,234,915</u>	<u>618,695,396</u>	<u>548,634,134</u>	<u>317,217,933</u>
Reversal of provision against potential lease and other loan losses - net		(810,946)	(93,034,088)	(23,943,599)	(68,959,326)
Other provisions - net	20	20,461,236	16,154,652	15,736,827	8,346,269
		<u>19,650,290</u>	<u>(76,879,436)</u>	<u>(8,206,772)</u>	<u>(60,613,057)</u>
<b>Profit before taxation</b>		<u>975,584,625</u>	<u>695,574,832</u>	<u>556,840,906</u>	<u>377,830,990</u>
Taxation - Current		372,497,158	350,266,802	186,798,016	217,958,013
- Prior		(16,473,748)	(3,779,032)	(16,473,748)	(3,779,032)
- Deferred		(27,593,695)	(139,461,508)	9,438,210	(100,327,563)
		<u>328,429,715</u>	<u>207,026,262</u>	<u>179,762,478</u>	<u>113,851,418</u>
Profit for the period after taxation		<u>647,154,910</u>	<u>488,548,570</u>	<u>377,078,428</u>	<u>263,979,572</u>
Profit attributable to					
Equity shareholders of the Holding Company		605,599,102	450,575,261	352,760,291	249,042,210
Non-controlling interest		41,555,808	37,973,310	24,318,137	14,937,363
		<u>647,154,910</u>	<u>488,548,570</u>	<u>377,078,428</u>	<u>263,979,572</u>
<b>Earnings per share - basic and diluted</b>	25	<u>3.45</u>	<u>2.57</u>	<u>2.01</u>	<u>1.42</u>

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

  
**Shaheen Amin**  
 Chief Executive Officer

  
**Aminah Zahid Zaheer**  
 Director

  
**Ramon Alfrey**  
 Chief Financial Officer

# Consolidated Condensed Interim Statement Of Profit Or Loss And Other Comprehensive Income (Un-audited)

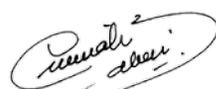
For The Half Year And Quarter Ended December 31, 2022

	Half year ended		Quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Note	-----Rupees-----		-----Rupees-----	
<b>Profit for the period after taxation attributable to:</b>				
Equity shareholders of the Holding Company	605,599,102	450,575,261	352,760,291	249,042,210
Non-controlling interest	41,555,808	37,973,310	24,318,137	14,937,363
	<u>647,154,910</u>	<u>488,548,570</u>	<u>377,078,428</u>	<u>263,979,572</u>
<b>Other comprehensive income</b>				
<b>Items that will be subsequently reclassified to consolidated statement of profit or loss</b>				
Exchange gain / (loss) arising on translation of foreign associate	124,146,482	123,182,066	(13,427,201)	32,079,373
Deferred tax on exchange gain / (loss) arising on translation of foreign associate	(40,968,339)	(30,487,561)	4,397,746	(6,977,259)
	<u>83,178,143</u>	<u>92,694,505</u>	<u>(9,029,455)</u>	<u>25,102,114</u>
<b>Items that will not be subsequently reclassified to consolidated statement of profit or loss</b>				
Fair value changes on remeasurement of financial assets	1,043,245	995,819	(6,417,544)	490,396
Deferred tax on fair value changes on remeasurement of financial assets	(344,271)	(216,591)	2,117,790	(106,661)
	<u>698,974</u>	<u>779,228</u>	<u>(4,299,754)</u>	<u>383,735</u>
Share of other comprehensive income of associate	1,642,103	743,434	1,165,269	512,671
Deferred tax on share of other comprehensive income of associate	(541,894)	(161,697)	(384,539)	(111,506)
	<u>1,100,209</u>	<u>581,737</u>	<u>780,730</u>	<u>401,165</u>
<b>Total comprehensive income for the period</b>	<u>732,132,236</u>	<u>582,604,040</u>	<u>364,529,949</u>	<u>289,866,586</u>
Total comprehensive income for the period attributable to:				
Equity shareholders of the Holding Company	690,576,428	544,630,730	340,211,812	274,929,224
Non-controlling interest	41,555,808	37,973,310	24,318,137	14,937,363
	<u>732,132,236</u>	<u>582,604,040</u>	<u>364,529,949</u>	<u>289,866,586</u>

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



**Shaheen Amin**  
Chief Executive Officer



**Aminah Zahid Zaheer**  
Director



**Ramon Alfrey**  
Chief Financial Officer

# Consolidated Condensed Interim Statement Of Cash Flows (Un-audited)

For The Half Year Ended December 31, 2022

	Half year ended	
	December 31, 2022	December 31, 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation for the period	975,584,625	695,574,832
<b>Adjustments for:</b>		
Depreciation and amortisation	400,695,085	478,074,334
Amortisation of transaction cost	4,285,473	-
Provision / (Reversal of provision) for potential lease and other loan losses - net	(810,946)	(93,034,088)
Other provisions - net	19,315,751	15,025,436
Provision for service sales tax	1,210,017	1,129,216
Gain on sale of investment - net	(135,187,990)	(8,054,478)
Charge for defined benefit plan	9,409,377	11,281,717
Share of profit from associate	(53,203,643)	(23,980,167)
Fair value changes on remeasurement of financial assets at fair value - net	254,752	376,366
Finance cost including bank charges	1,778,067,525	837,219,069
Dividend income	(6,530,570)	(759,577)
Return on investments and deposits	(108,313,546)	(58,187,446)
Gain on disposal of ijarah assets	(3,257,291)	(6,398,459)
Gain on disposal of fixed assets	(4,045,340)	(1,808,036)
Other exchange loss -net	(1,166,978)	(567,589)
	1,900,721,676	1,150,316,298
<b>Operating profit before working capital changes</b>	2,876,306,301	1,845,891,130
<b>Increase in operating assets</b>		
Investment in finance lease - net	455,425,464	131,100,092
Long-term finances and loans - net	(1,905,662,268)	(2,147,491,629)
Short-term finances	(20,856,573)	2,769,762
Long-term deposits	(158,705)	(9,000)
Advances and prepayments	161,338,403	(31,999,122)
Other receivables	(103,469,498)	(22,610,902)
	(1,413,383,177)	(2,068,240,799)
<b>Increase / (decrease) in operating liabilities</b>		
Deposits from lessees - net	32,329,960	99,088
Other long term liabilities - net	(227,388,418)	(231,118,258)
Trade and other payables	(44,291,166)	377,794,945
	(239,349,624)	146,775,775
<b>Cash generated / (used) from operating activities</b>	1,223,573,500	(75,573,894)
Payment against staff retirement benefits	(8,560,332)	(10,221,012)
Income tax paid	(327,967,471)	(303,594,361)
	(336,527,803)	(313,815,373)
<b>Net cash generated from / (used in) operating activities</b>	887,045,697	(389,389,267)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure incurred - own use and intangible assets	(19,835,081)	(20,127,612)
Capital expenditure incurred - ijarah finance	(357,715,483)	(444,463,671)
Proceeds from disposal of assets - own use	4,200,635	3,123,353
Proceeds from sale of ijarah finance assets	61,341,694	100,779,282
Investments - net	(2,491,183,261)	(3,490,042,688)
Dividend received	6,530,570	759,577
Interest received	42,888,724	25,756,287
Net cash used in investing activities	(2,753,772,202)	(3,824,215,472)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term loans	2,905,442,077	5,558,259,046
Short-term borrowings - net	1,000,000,000	(900,000,000)
Certificates of deposit redeemed / issued - net	213,804,926	73,886,604
Repayment of long-term finances	(1,808,761,722)	(1,872,222,222)
Finance cost paid	(1,386,392,867)	(568,107,276)
Payment of lease liability against right-of-use assets	(15,736,523)	(16,044,721)
Dividend paid	(262,240,558)	(473,296,241)
<b>Net cash generated from financing activities</b>	646,115,333	1,802,475,190
<b>Net decrease in cash and cash equivalents</b>	(1,220,611,172)	(2,411,129,549)
Cash and cash equivalents at beginning of the period	1,053,064,117	469,212,939
<b>Cash and cash equivalents at end of the period</b>	(167,547,055)	(1,941,916,610)

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

  
**Shaheen Amin**  
 Chief Executive Officer

  
**Aminah Zahid Zaheer**  
 Director

  
**Ramon Alfrey**  
 Chief Financial Officer

# Consolidated Condensed Interim Statement Of Changes in Equity (Un-audited)

For The Half Year Ended December 31, 2022

Issued, subscribed and paid-up capital	Reserves						Total reserves	Non-controlling interest	Total shareholders equity	
	Capital reserves					Revenue reserve				
	Share premium	Statutory reserve (note 19.4)	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 (note 20)	Unappropriated profit				
-----Rupees-----										
<b>Balance as at July 1, 2021 (audited)</b>	1,754,076,470	1,501,683,073	1,782,941,804	213,948,996	(207,316,340)	844,238,868	2,595,807,823	6,731,304,224	958,875,571	9,444,256,265
Profit for the period	-	-	-	-	-	-	450,575,261	450,575,261	37,973,310	488,548,571
Other comprehensive income	-	-	-	92,694,505	779,228	-	581,737	94,055,470	-	94,055,470
<b>Total comprehensive income for the period</b>	-	-	-	92,694,505	779,228	-	451,156,998	544,630,731	37,973,310	582,604,041
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	-	-	-	(9,139,812)	9,139,812	-	-	-
<b>Transactions with owners recorded directly in equity</b>										
Profit distribution for the year ended June 30, 2021 @ Rs. 2.9 per certificate	-	-	-	-	-	-	-	-	(105,289,790)	(105,289,790)
Final cash dividend @ Rs.2 per ordinary share of Rs. 10 each for the year ended June 30, 2021	-	-	-	-	-	-	(350,815,294)	(350,815,294)	-	(350,815,294)
<b>Balance as at December 31, 2021 (unaudited)</b>	1,754,076,470	1,501,683,073	1,782,941,804	306,643,501	(206,537,112)	835,099,056	2,705,289,339	6,925,119,661	891,559,091	9,570,755,222
<b>Balance as at July 1, 2022 (audited)</b>	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	-	-	-	-	-	-	605,599,102	605,599,102	41,555,808	647,154,910
Other comprehensive income	-	-	-	83,178,143	698,974	-	1,100,209	84,977,326	-	84,977,326
<b>Total comprehensive income for the period</b>	-	-	-	83,178,143	698,974	-	606,699,311	690,576,428	41,555,808	732,132,236
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	-	-	-	(8,989,878)	8,989,878	-	-	-
Transferred from deficit on revaluation of financial asset at FVTOCI on disposal of investment - net of tax	-	-	-	-	186,995,565	-	(186,995,565)	-	-	-
<b>Transactions with owners recorded directly in equity</b>										
Profit distribution for the year ended June 30, 2022 @ Rs. 2 per certificate	-	-	-	-	-	-	-	-	(72,613,648)	(72,613,648)
Final cash dividend @ Rs.2 per ordinary share of Rs. 10 each for the year ended June 30, 2022	-	-	-	-	-	-	(350,815,294)	(350,815,294)	-	(350,815,294)
<b>Balance as at December 31, 2022 (unaudited)</b>	1,754,076,470	1,501,683,073	1,827,052,323	455,496,314	7,726,160	814,621,689	2,825,564,006	7,432,143,565	901,935,656	10,088,155,691

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

  
**Shaheen Amin**  
 Chief Executive Officer

  
**Aminah Zahid Zaheer**  
 Director

  
**Ramon Alfrey**  
 Chief Financial Officer

# Notes To And Forming Part Of The Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

## 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 Pakistan (SECP).

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a long-term rating of AA+ (2021: AA+) and a short-term rating of A1+ (2021: A1+) to the Company on March 03, 2022 (2021: March 03, 2021).

## 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;

# Notes To And Forming Part Of The Consolidated Condensed Interim Financial Statements (Un-audited)

## For The Half Year Ended December 31, 2022

- 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, 2022.
- 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, 2022, 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 half year ended December 31, 2021.
- 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, 2022.
- 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 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 consolidated financial statements for the year ended June 30, 2022.
- 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, 2022 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, 2023. 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, 2022.

# Notes To And Forming Part Of The Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

5	FIXED ASSETS	(Un-audited)	(Audited)
		December 31, 2022	June 30, 2022
-----Rupees-----			
	Own use	1,078,113,565	1,101,053,199
	Operating lease	74,309,948	114,168,578
	Ijarah assets	1,777,412,053	1,814,131,036
	Right-of-use assets	82,306,558	89,150,477
		<u>3,012,142,124</u>	<u>3,118,503,290</u>

5.1 The following is a statement of cost of additions and disposals to / from fixed assets for the half year ended December 31, 2022.

	Own use		Right-of-use assets		Asset under Operating Lease		Asset under Ijarah financing	
	Additions	Disposals	Additions	Disposals	Additions	Disposals / Transfers	Additions	Disposals
----- (Rupees) -----								
Right-of-use assets	-	-	6,224,687	1,144,132	-	-	-	-
Generators / machinery	70,200	-	-	-	-	49,577,438	357,715,483	116,278,977
Leasehold improvements	1,284,386	54,000	-	-	-	-	-	-
Furniture, fittings and office equipment	3,625,704	1,939,641	-	-	-	-	-	-
Computers and accessories	3,618,148	3,415,501	-	-	-	-	-	-
Vehicles	8,200,000	2,801,390	-	-	-	-	-	196,219,789
<b>December 31, 2022</b>	<b>16,798,438</b>	<b>8,210,532</b>	<b>6,224,687</b>	<b>1,144,132</b>	<b>-</b>	<b>49,577,438</b>	<b>357,715,483</b>	<b>312,498,766</b>
December 31, 2021	20,060,930	11,507,734	11,016,868	-	-	-	444,463,671	444,841,853

6	INTANGIBLE ASSETS	Note	(Un-audited)	(Audited)
			December 31, 2022	June 30, 2022
-----Rupees-----				
	Computer software and license		3,541,229	1,529,348
	Goodwill		13,728,733	13,728,733
	Customer relationship for Ijarah		6,142,854	12,285,715
			<u>23,412,816</u>	<u>27,543,796</u>

6.1 Additions amounting to Rs. 3,036,643 (December 2021: Rs. 66,682) were made during the half year ended December 31, 2022. No disposals were made during the period (December 2021: Nil).

7	NET INVESTMENT IN FINANCE LEASE	Note	(Un-audited)	(Audited)
			December 31, 2022	June 30, 2022
-----Rupees-----				
	Instalment contract receivables		16,542,280,577	16,831,144,200
	Residual value		6,954,729,981	7,223,673,546
	Less: adjustable security deposit	7.1	(6,942,366,228)	(7,209,618,143)
	Gross investment in finance lease		16,554,644,330	16,845,199,603
	Less: unearned finance income		(3,637,802,215)	(3,408,575,208)
	Present value of investment in finance lease		<u>12,916,842,115</u>	<u>13,436,624,395</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 Group's implicit rate of return on performing leases ranges from 14.00% to 27.43% (June 30, 2022: 12.52% to 27.55%) per annum. These are secured against leased assets, security deposits averaging 23.76% (June 30, 2022: 23.41%) of the cost of leased assets and personal guarantees.

# Notes To And Forming Part Of The Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

8	<b>LONG-TERM INVESTMENTS</b>	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
		-----Rupees-----		
	<b>Amortised Cost</b>			
	Pakistan Investment Bonds (PIBs)	8.1	196,211,199	588,235,272
	Investment in Sukuk certificates	8.2	57,701,835	57,701,835
	Less: provision for potential losses on investments		(57,701,835)	(57,701,835)
			-	-
	<b>At fair value through other comprehensive income</b>			
	Sama Finance PSC - related party	8.3	-	279,097,858
	Cashew Financial Services Limited		15,050,000	-
	Less: fair value change on remeasurement of financials assets		-	(279,097,858)
			15,050,000	-
	Less: current maturity		(196,211,199)	(393,448,918)
			15,050,000	194,786,354
<b>8.1</b>	This represents investment made as required under Regulation 14(4)(g) of the NBFC Regulations to maintain liquidity against certificates of deposit. These carry coupon rate of 7.00% (June 30, 2022: 7.00% to 12.00%) per annum and are due to mature latest by August 20, 2023 (June 30, 2022: August 20, 2023).			
<b>8.2</b>	This represents investment by the Modaraba in unlisted Sukuk Certificates which has been fully provided.			
<b>8.3</b>	During the period, investment in Sama Finance PSC has been disposed off to Al Hail Holding LLC.			
9	<b>CURRENT MATURITY OF NON-CURRENT ASSETS</b>	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	<b>Current maturity of:</b>			
	Net investment in finance lease		6,680,955,804	6,867,323,292
	Allowance for potential lease losses		(632,516,567)	(678,394,356)
			6,048,439,237	6,188,928,936
	Long-term investments		196,211,199	393,448,918
	Long-term finances and loans		7,432,107,607	6,029,464,696
	Allowance for potential loan losses		(261,963,294)	(237,532,877)
			7,170,144,313	5,791,931,819
			13,414,794,749	12,374,309,673
10	<b>SHORT-TERM INVESTMENTS</b>			
	<b>At fair value through profit or loss</b>			
	Treasury bills	10.1	3,371,114,756	554,492,300
	Mutual Funds		255,550,985	-
	<b>At fair value through other comprehensive income</b>			
	Ordinary shares - unlisted		23,769,497	22,726,251
			3,650,435,238	577,218,551

# Notes To And Forming Part Of The Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

**10.1** These include investment amounted to Rs. 520,454,770 (June 30, 2022: Rs. 111,509,376) 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 4 months (June 30, 2022: 1 month) from the reporting date, carrying yield ranging from 15.67% to 16.98% (June 30, 2022: 11.34% to 14.45%) per annum.

11	ASSETS CLASSIFIED AS HELD FOR SALE	Note	(Un-audited)	(Audited)
			December 31, 2022	June 30, 2022
			-----Rupees-----	
	Reposessed assets	11.1	250,001	250,001
	Investments in associates			
	- OPP (Private) Limited (OPP)	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
			<u>264,747,437</u>	<u>264,747,437</u>

**11.1** These represent reposessed 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. In 2014, the Board of Directors of the Holding 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 Holding Company in managing the affairs of OPP. The Holding Company has also filed a reference in the Lahore High Court to allow the Company to buy out the minority stakeholder in OPP or to wind up OPP which is pending to date.

**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 Holding Company intends to dispose of its investment in SAMA.

The sale negotiations are in process on same terms and conditions despite expiration of long stop date of Sale Purchase Agreement (SPA) on May 31, 2022.

## 12 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

(Un-audited)	(Audited)		(Un-audited)	(Audited)
December 31, 2022	June 30, 2022		December 31, 2022	June 30, 2022
----- (Number of shares) -----			----- (Rupees) -----	
		<b>Ordinary shares of Rs. 10 each</b>		
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>

# Notes To And Forming Part Of The Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

13 LONG-TERM FINANCES	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
-----Rupees-----			
<b>Secured</b>			
Long-term finances utilised under mark-up arrangements from financial institutions	13.1	13,246,635,106	11,748,215,251
Privately placed term finance certificates	13.2	3,000,000,000	3,000,000,000
Less: Unamortised transaction cost		12,457,829	16,743,302
Less: current maturity	15	5,427,930,747	4,166,955,400
		5,440,388,576	4,183,698,702
		<u>10,806,246,530</u>	<u>10,564,516,549</u>

13.1 The Group has unutilised long term finance facilities of Rs. 1,671 million as at December 31, 2022 (June 30, 2022: Rs. 606 million). 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 13.35% to 17.86% (June 30, 2022: 6.52% to 16.17%) per annum. These finances are repayable within a period up to 60 months (June 30, 2022: up to 60 months).

13.2 In the prior year June 30, 2022, the Holding Company has issued Rs. 3 billion of rated, privately placed, secured term finance certificates ("TFCs") as an instrument of redeemable capital. These carry markup at 3 months KIBOR plus 0.8% and will mature on December 30, 2026 and are secured against hypothecation charge on receivables of the Holding Company.

14 SHORT-TERM BORROWINGS	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
-----Rupees-----			
<b>From banking companies - secured</b>			
Running finance arrangements	14.1	613,816,210	339,499,845
Short-term loans	14.2	1,000,000,000	-
		<u>1,613,816,210</u>	<u>339,499,845</u>

14.1 These represent short-term running finance facilities from commercial banks for financing of operations with limits aggregating to Rs. 3,100 million as at December 31, 2022 (June 30, 2022: Rs. 3,100 million). These facilities have been obtained for financing of day to day operations. The rate of mark-up ranges from 16.22% to 17.33% (June 30, 2022: 12.40% to 14.81%) per annum on a daily product basis. These are secured by hypothecation of leased assets, related lease receivables and financing receivables.

14.2 This represents short-term loan obtained from Allied Bank Limited during the period for financing of operations and is secured by hypothecation of leased assets, related lease receivables and financing receivables. This carries mark-up at 3 months KIBOR minus 0.55% and is due to mature by February 28, 2023.

15 CURRENT MATURITY OF NON-CURRENT LIABILITIES	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
-----Rupees-----			
<b>Current maturity of:</b>			
Long-term finances	13	5,427,930,747	4,166,955,400
Lease liability against right-of-use assets		23,526,331	22,270,566
Long-term certificates of deposit		290,797,320	878,978,260
Long-term deposits		216,183,349	160,130,604
Redeemable capital		2,223,705,000	2,598,205,000
		<u>8,182,142,747</u>	<u>7,826,539,830</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, 2022.

# Notes To And Forming Part Of The Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

## 16.2 Holding Company

**16.2.1** Through Finance Act 2022, the Federal Government has levied Super Tax up to 4% on high earning persons / companies for the tax year 2022 and onwards. The Holding Company's legal advisor is of the opinion that levy of super tax is unlawful and leading to double taxation. Accordingly, the Company has filed constitutional petition before the Sindh High Court (SHC) dated December 27, 2022 challenging the levy of super tax. The SHC has granted stay, on submission of bank guarantee, till the decision has been made. On January 27, 2023, the SHC dismissed the petition stating levy of super tax is lawful, however, it will not be applied retrospectively i.e. for Tax Year 2022.

The Holding Company has already made a provision amounting to Rs. 87 million against the super tax.

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

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

**16.2.3** Commitments relating to capital expenditure at the reporting date amounted to Nil (June 30, 2022: Rs.0.63 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	Half year ended	
		December 31, 2022	December 31, 2021
		-----Rupees-----	
<b>17 OTHER INCOME - NET</b>			
<b>Income from financial assets</b>			
Return on investments and deposits		51,982,539	18,611,352
Interest income on government securities		57,383,349	31,233,959
Dividend income		6,530,570	759,577
Gain on sale of investments - net		135,187,990	8,054,478
Unrealised loss on remeasurement of financial assets at fair value through profit or loss - net		(254,752)	(376,366)
		250,829,696	58,283,000
<b>Income from other than financial assets</b>			
Fee and other income	17.1	79,623,207	73,262,942
Documentation fee		31,794,096	17,713,863
Gain on disposal of fixed assets		7,319,907	8,193,345
Gain on cancellation of leases and finance and loans		40,411,741	23,858,308
Exchange gain / (loss) - net		1,166,978	567,589
		160,315,929	123,596,047
		411,145,625	181,879,047

**17.1** This includes a grant received from Karandaaz Pakistan amounting to Rs. 5 million for IT related consultancy services during the period ended December 31, 2022.

# Notes To And Forming Part Of The Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

## 18 SHARE OF PROFIT OF ASSOCIATE UNDER EQUITY ACCOUNTING

Name of associate	(Un-audited)			
	Half year ended December 31, 2022		Half year ended December 31, 2021	
	Associates' profit after tax	Share of associates' profit after tax	Associates' profit after tax	Share of associates' profit after tax
	----- (Rupees) -----			
<b>Un-quoted - related party</b>				
Y anal Finance Company	2,660,182,087	53,203,643	1,199,008,378	23,980,167

## 19 FINANCE COST

	(Un-audited)	
	December 31, 2022	December 31, 2021
	-----Rupees-----	
Interest / mark-up / profit on:		
- Long-term finances	1,025,606,581	350,403,588
- Redeemable capital	193,784,658	102,969,044
- Musharika finance arrangements	155,144,912	48,511,545
- Short-term borrowings	114,598,751	63,077,375
- Certificates of deposit	278,231,684	251,247,709
- Unwinding of security deposit	16,681,685	-
- Lease liability against right-of-use assets	6,997,359	6,991,668
Amortization of transaction cost	4,285,473	-
Bank charges and commission	15,114,862	16,190,763
	<u>1,810,445,965</u>	<u>839,391,692</u>

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

Operating lease, investments and other receivables (Reversal of provision) against other receivable	(3,166,028)	-
Provision against operating lease receivable	260,221	-
Provision against ijarah receivable	2,641,390	1,131,768
Others		
Provision for Workers' Welfare Fund	19,515,636	13,893,668
Provision for services sales tax on Management Company's remuneration	1,210,017	1,129,216
	<u>20,461,236</u>	<u>16,154,652</u>

## 21 SEGMENT INFORMATION

The Group has four primary reporting segments namely, 'Finance lease', 'Finances & Loans', 'Operating lease' 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 and includes micro finance which represents group / community based lending to the underprivileged community. Under the operating lease segment, the Group provides equipment on short-term rentals to corporate entities. Islamic Finance comprises of equipment provided to corporate entities under Ijarah finance and Diminishing Musharika. 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'.

# Notes To And Forming Part Of The Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

December 31, 2022					
Finance lease	Finances and loans	Operating lease	Islamic finance	Investment in subsidiaries, associates & others	Total

(Rupees)

## Segment analysis for the half year ended December 31, 2022 - (Un-audited)

Segment revenues	1,388,191,036	1,413,383,153	11,557,220	852,276,795	335,845,339	4,001,253,543
Finance cost	582,750,855	587,376,323	5,029,155	342,255,051	293,034,581	1,810,445,965
Administrative and general expenses	351,682,070	354,473,476	2,945,252	111,860,472	11,346,220	832,307,490
Direct cost	3,665,886	7,631,815	8,526,682	336,350,367	7,090,423	363,265,173
(Reversals) / Provisions-net	(431,885)	14,791,778	260,221	(12,529,449)	(1,956,011)	134,654
	<u>450,524,110</u>	<u>449,109,761</u>	<u>(5,204,090)</u>	<u>74,340,354</u>	<u>26,330,126</u>	<u>995,100,261</u>
Provision for Workers' Welfare Fund						(19,515,636)
Provision for taxation						(328,429,715)
<b>Profit for the period</b>						<u>647,154,910</u>

## Segment assets and liabilities as at December 31, 2022 (Un-audited)

Segment assets	12,229,574,109	13,289,145,279	78,499,931	5,904,033,515	5,741,265,223	37,242,518,057
Unallocated assets						2,044,639,236
<b>Total assets</b>						<u>39,287,157,293</u>
Segment liabilities	306,459,797	314,082,788	2,582,271	4,993,963,316	135,422,117	5,752,510,289
Unallocated liabilities						23,446,491,313
<b>Total liabilities</b>						<u>29,199,001,602</u>

## Other information for the half year ended December 31, 2022 - (Un-audited)

Capital expenditure	-	-	-	357,715,483	-	357,715,483
Depreciation	-	-	4,782,592	342,492,911	-	347,275,503
Unallocated Capital expenditure	-	-	-	-	-	26,059,768
Unallocated depreciation and amortisation	-	-	-	-	-	53,419,582

December 31, 2021					
Finance lease	Finances and loans	Operating lease	Islamic finance	Investment in subsidiaries, associates & others	Total

(Rupees)

## Segment analysis for the half year ended December 31, 2021 - (Un-audited)

Segment revenues	1,114,930,716	675,656,123	17,003,419	735,010,520	107,178,780	2,649,779,558
Finance cost	354,646,099	228,446,800	3,262,243	157,226,680	95,809,870	839,391,692
Administrative and general expenses	417,091,191	197,503,233	4,334,396	85,053,311	37,659,395	741,641,526
Direct cost	8,432,082	10,226,234	10,724,329	420,555,730	112,569	450,050,944
(Reversal) / provision - net	(92,659,526)	8,162,502	(217,152)	(7,407,846)	1,348,918	(90,773,104)
	<u>427,420,870</u>	<u>231,317,354</u>	<u>(1,100,397)</u>	<u>79,582,645</u>	<u>(27,751,973)</u>	<u>709,468,500</u>
Provision for Workers' Welfare Fund						(13,893,668)
Provision for taxation						(207,026,262)
<b>Profit for the period</b>						<u>488,548,570</u>

## Segment assets and liabilities as at June 30, 2022 (Audited)

Segment assets	12,684,937,695	15,245,473,788	120,993,799	1,982,067,013	3,452,595,529	33,486,067,824
Unallocated assets						2,578,235,612
<b>Total assets</b>						<u>36,064,303,436</u>
Segment liabilities	455,206,642	3,182,088,187	1,644,414	1,959,450,589	356,506,956	5,954,896,788
Unallocated liabilities						20,329,954,251
<b>Total liabilities</b>						<u>26,284,851,039</u>

## Other information for the half year ended December 31, 2021 - (Unaudited)

Capital expenditure	-	-	-	444,463,671	-	444,463,671
Depreciation	-	-	5,051,136	414,382,772	-	419,433,908
Unallocated Capital expenditure	-	-	-	-	-	26,048,765
Unallocated depreciation and amortisation	-	-	-	-	-	58,640,426

# Notes To And Forming Part Of The Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

## 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.

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

	(Un-audited)	
	Half year ended	
	December 31, 2022	December 31, 2021
	-----Rupees-----	
<b>ORIX Corporation, Japan - Parent Company - 49.58% Holding</b>		
Dividend paid - net of tax	-	160,876,952
Reimbursement of cost	-	401,445
<b>Yanal Finance Company - Associate - 2.5% ownership</b>		
Reimbursement of cost	12,548,527	13,002,760
<b>AWT Investments Limited (AWTIL) - Common directorship</b>		
Profit on redeemable capital issued to mutual funds managed by AWTIL	6,169,860	-
<b>OLP Financial Services Pakistan Limited - Employees Provident Fund</b>		
Contribution made	15,564,440	15,559,431
<b>OLP Modaraba - Staff Provident Fund</b>		
Contribution made	2,937,646	2,683,341
<b>OLP Financial Services Pakistan Limited - Staff Gratuity Fund</b>		
Contribution made	8,560,332	10,221,012
<b>OLP Modaraba - Staff Gratuity Fund (OM-SGF)</b>		
Contribution made	2,447,060	2,235,214
Reimbursement from OM-SGF	1,029,527	186,838
<b>Donation paid - Common Directorship</b>		
The Layton Rahmatullah Benevolent Trust	2,000,000	2,500,000
The Indus Hospital	-	500,000
The Patients' Behbud Society for AKU	1,000,000	-

# Notes To And Forming Part Of The Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

	(Un-audited)	
	Half year ended	
Other related party transactions during the period	December 31, 2022	December 31, 2021
Directors and Key Management Personnel	-----Rupees-----	
<b>Compensation of Directors and Key Management Personnel</b>		
Directors' fees paid	4,750,000	4,500,000
Short-term employee benefits	165,147,536	150,429,209
Retirement benefits	8,830,763	8,436,662
Total compensation to directors and key management personnel	178,728,299	163,365,871
<b>Other transactions with Key Management Personnel</b>		
Amount of profit paid on certificates of deposit	-	59,907
Redeemable capital issued (net off redemption)	6,400,000	6,500,000
Profit on Redeemable Capital	1,508,546	246,386
Staff loans disbursed	14,812,607	9,496,655
Principal recovered on staff loans	10,725,011	5,008,860
Interest recovered on staff loans	5,092,113	3,132,053
Dividend paid to key management personnel - net of tax	202,487	312,249
Dividend paid to the Chief Executive Officer of the Holding Company - net of tax	783,071	903,071
	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	-----Rupees-----	
<b>22.2 Balances with related parties as at period / year end</b>		
Investment in associate - Yanal Finance Company - 2.5% ownership	1,386,852,038	1,207,909,411
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
Certificates of deposit held by key management personnel	-	1,300,000
Outstanding redeemable capital to key management personnel	28,950,000	22,550,000
Accrued profit on certificates of deposit / redeemable capital issued to key management personnel	1,095,531	1,126,376
Advance to Chief Executive Officer of OLP Services Pakistan (Private) Limited - Subsidiary	600,000	1,320,000
Outstanding loans to key management personnel	70,007,374	65,919,778
Outstanding redeemable capital to AWT Investments Limited (AWTIL) - Common directorship	48,000,000	100,000,000
Accrued profit on redeemable capital issued to AWTIL - Common directorship	2,006,040	3,283,231
Receivable from Yanal Finance Company - Associate	12,670,335	6,380,097
Receivable from ORIX Corporation, Japan - Parent Company	1,615,695	1,615,695
Unpaid dividend payable to ORIX Corporation, Japan - Parent Company	321,753,904	160,876,952

# Notes To And Forming Part Of The Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

## 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:

	<b>December 31, 2022 (Un-audited)</b>			
	<b>Fair value</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	----- (Rupees) -----			
<b>Financial assets at fair value through other comprehensive income</b>				
Ordinary shares - unlisted	-	23,769,497	-	23,769,497
<b>Financial assets at fair value through profit or loss</b>				
Market treasury bills	-	3,371,114,756	-	3,371,114,756
Mtual funds	-	255,550,985	-	255,550,985
<b>Non-financial assets</b>				
Fixed assets (Leasehold land and building)	-	-	904,045,027	904,045,027
<b>Total</b>	-	3,650,435,238	904,045,027	4,554,480,265

# Notes To And Forming Part Of The Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

June 30, 2022 (Audited)				
Fair value				
Level 1	Level 2	Level 3	Total	
----- (Rupees) -----				
Financial assets at fair value through other comprehensive income				
Ordinary shares - unlisted	-	22,726,251	-	22,726,251
Financial assets at fair value through profit or loss				
Market treasury bills	-	554,492,300	-	554,492,300
Mutual fund	-	-	-	-
Non-financial assets				
Fixed assets (Leasehold land and building)	-	-	916,321,693	916,321,693
Total	-	577,218,551	916,321,693	1,493,540,244

		(Un-audited)	
		As at	
		December 31, 2022	December 31, 2021
		-----Rupees-----	
<b>24</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash at bank	444,379,124	645,953,280
	Cash in hand	1,890,031	1,727,519
		446,269,155	647,680,799
	Short term running finance facilities	(613,816,210)	(2,589,597,409)
		(167,547,055)	(1,941,916,610)
		14	

		(Un-audited)	
		Half year ended	
		December 31, 2022	December 31, 2021
		-----Rupees-----	
<b>25</b>	<b>EARNINGS PER SHARE - BASIC AND DILUTED</b>		
	Profit for the period after taxation attributable to ordinary shareholders of the Holding Company (Rupees)	605,599,102	450,575,261
		----- (Number of shares) -----	
	Weighted average number of ordinary shares	175,407,647	175,407,647
		-----Rupees-----	
	Earnings per share - basic and diluted (Rupees)	3.45	2.57

# Notes To And Forming Part Of The Consolidated Condensed Interim Financial Statements (Un-audited)

For The Half Year Ended December 31, 2022

Diluted earnings per share has not been presented separately as the Holding Company does not have any convertible instruments in issue as at December 31, 2022 and December 31, 2021, which would have any effect on the earnings per share if the option to convert is exercised.

## 26 DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements was authorised for issue on February 24, 2022 by the Board of Directors of the Holding Company.

## 27 GENERAL

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

  
**Shaheen Amin**  
Chief Executive Officer

  
**Aminah Zahid Zaheer**  
Director

  
**Ramon Alfrey**  
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](mailto:olp@olpfinance.com)  
Website: [www.olpfinance.com](http://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,  
Tahoka 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, Ghoolam Kadir Arcade,  
Aziz Shaheed Road, Sialkot Cantt.  
Tel: 052-4260616, 4260877  
UAN: 111 24 24 24

## Gujrat

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

## Gujranwala

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

146-B Satellite Town, Chandni Chowk,  
Murree Road, Rawalpindi  
Tel: 051-4571431-3, 4571442-3  
Fax: 051-4571445

## 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 Floor Mill, Near Rachna Town,  
G.T Road Shahdra, Tehsil Ferozewala, Distt.  
Sheikhupura  
Tel: 042-37340208

### Jallo Morre

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

### Sharaqpur Sharif

Main Lahore Jaranwala Road, Opposite  
Government Pilot High School Sharaqpur Sharif,  
District Sheikhupura  
Tel: 056-2590021

### Morre Khunda

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

### Pattoki

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

### Renala Khurd

Brothers Tractor Workshop, Near Military Farm,  
G.T. Road, Renala Khurd, Distt. Okara  
Tel: 044-2635185

### Manga Mandi

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

### Bhalwal

AD Plaza Ashraf Colony, Canal Road,  
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

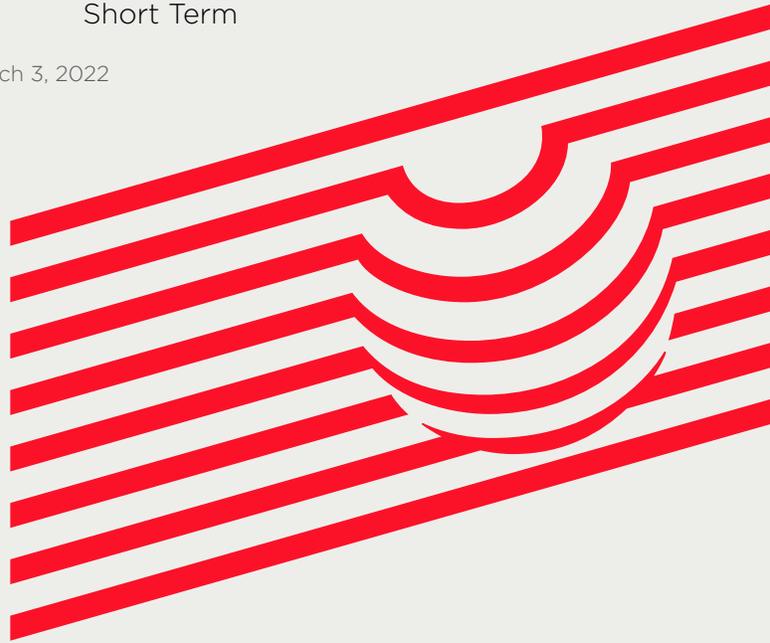
AA+

Long Term

A1+

Short Term

Credit Rating by PACRA: March 3, 2022



ORIX



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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