



ORIX

ORIX Leasing Pakistan Limited



HALF YEARLY REPORT
2020-2021

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Company Information

Board of Directors

1. **Mr. Khalid Aziz Mirza**
Chairman and Independent
Non-Executive Director
2. **Mr. Nasim Hyder**
Independent Non-Executive Director
3. **Ms. Aminah Zahid Zaheer**
Independent Non-Executive Director
4. **Mr. Yoshiaki Matsuoka**
Non-Executive Director
5. **Ms. Keiko Watanabe**
Non-Executive Director
6. **Mr. Takashi Nakayama**
Non-Executive Director
7. **Mr. Yohei Honda**
Non-Executive Director
8. **Mr. Shaheen Amin**
Chief Executive Officer and Executive Director
9. **Mr. Ramon Alfrey ***
Deputy CEO & Executive Director

Board Committees

Audit Committee

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

Human Resource, Nomination and Remuneration Committee

1. **Mr. Khalid Aziz Mirza**
Chairman
2. **Mr. Yoshiaki Matsuoka**
Member
3. **Mr. Takashi Nakayama**
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. Yohei Honda**
Member

Credit Committee

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

Deputy Chief Executive Officer

Mr. Ramon Alfrey

Chief Financial Officer

Ms. Maryam Aziz

Company Secretary

Mr. Haider Abbas Kalhar

Head of Internal Audit and Secretary to Audit Committee

Mr. Nadeem Amir Ali

Head of Compliance

Mr. Rashid Ahmed

The Management Team

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

Credit Rating by PACRA

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

Auditors

A.F.Ferguson & Co.

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

Legal Advisors

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

Registrar and Share Transfer Office

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

Shariah Advisor

Al Hamd Shariah Advisory Services (Pvt.) Limited

Banks and Lending Institutions

- Allied Bank Limited
- Askari Bank Limited
- Bank Al Habib Limited
- Bank Alfalah Limited
- Faysal Bank Limited
- Habib Bank Limited
- Habib Metro Bank Limited
- JS Bank Limited
- Karandaz Pakistan
- MCB Bank Limited
- Meezan Bank Limited
- PAIR Investment Company Limited
- Soneri Bank Limited
- Standard Chartered Bank (Pakistan) Limited
- United Bank Limited

Registered and Head Office

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

Directors' Review Report

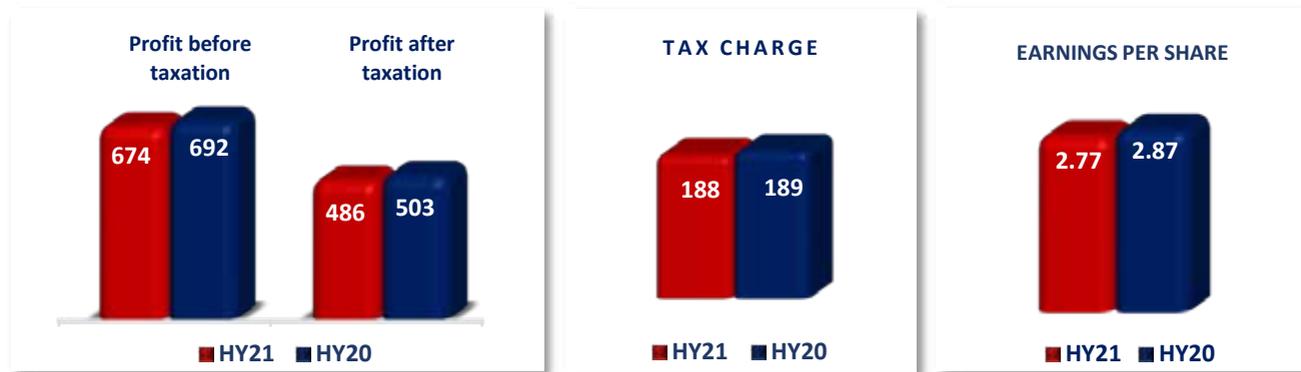
For the half year period ended December 31, 2020

The Board of Directors of ORIX Leasing Pakistan Limited (OLP / the Company) is pleased to present the unaudited condensed interim financial statements for the half year period ended December 31, 2020.

Financial Highlights and Business Review

Half-yearly financial performance is summarized below:

(Rs. in million)



The revival of business activities, began during the first quarter, kept momentum in the second quarter. Rising exports and increased remittances resulted in current account surplus in the first half. Positive business sentiment was also reflected in rising KSE-100 index which crossed 45,000 mark for the first time in 32 months. OLP experienced improvements in new business disbursement and overdue portfolio as disbursements of Rs. 8,326 million were achieved during the first half of the year compared to Rs. 5,929 million in the same period last year.

Profit before tax for the reporting period was Rs. 674 million, 3% lower than last year (Dec. 2019: Rs. 692 million). This was achieved despite 23% reduction in revenue to Rs. 1,806 million in H1FY21 as compared to Rs. 2,337 million in H1FY20 which was due to decrease in interest rates and reduction in lease and loan portfolio to Rs. 20.3 billion (December 2019: Rs. 21.0 billion).

Lower interest rates together with decline in borrowing portfolio to Rs. 13.0 billion (December 2019: Rs.14.4 billion) resulted in finance cost at Rs. 589.4 million, being 39% lower than Rs. 967.1 million in the first half of the previous year. Administrative costs were 9% lower at Rs. 536.5 million (December 2019: Rs. 593.8 million) due to reduction in staff cost.

Marked improvement in recovery from overdue cases resulted in a reversal of Rs. 57 million in provision for bad debts (Dec. 2019: charge of Rs. 1.6 million). Profit after tax, at Rs. 486 million was 3% lower than the profit of Rs. 503 million earned in the corresponding period last year.

Future Outlook

In the medium-term, the economy is expected to achieve modest growth. However, the second wave of pandemic still brings uncertainty to business growth.

High demand for saloon cars boosted vehicle finance business which showed considerable growth in the first half year. Expectations of new models of saloon cars coming up in 2021 would mean that this segment is likely to continue its robust performance. Positive growth of export and large scale manufacturing sectors is expected to create asset financing demand from large as well as small and medium sized corporate entities.

Performance of the Group

In compliance with section 227 of the Companies Act 2017, attached with this report is the consolidated condensed interim financial information of OLP and its subsidiaries (the Group) namely – ORIX Services Pakistan (Private) Limited and ORIX Modaraba – for the half year period ended December 31, 2020.

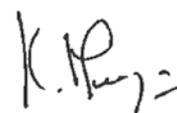
Financial Highlights of the Group's Performance are as follows:

	Half year period ended	
	December 2020	December 2019
	-----Rupees-----	
Profit before taxation	712,006,674	727,795,426
Taxation	187,758,574	188,833,635
Net profit for the period after taxation	524,248,100	538,961,791
Profit attributable to Equity shareholders of the Holding Company	480,208,733	495,594,312
Profit attributable to non-controlling interest	44,039,367	43,367,479
		Restated
Earnings per share – basic and diluted	2.74	2.83

On behalf of the Board:



SHAHEEN AMIN
Chief Executive Officer



KHALID AZIZ MIRZA
Chairman

February 22, 2021

مستقبل کا منظر نامہ

درمیانی مدت کے لئے، معیشت میں معمولی نمو کی توقع ہے۔ تاہم عالمی وبا کی دوسری لہر کے سبب کاروباری نمو میں غیر یقینی کی صورت حال برقرار ہے۔ سیلون کاروں کی زیادہ مانگ نے گاڑیوں کی فنانسنگ کو فروغ دیا ہے جس نے پہلی ششماہی میں قابل قدر نمو ہوئی۔ 2021 میں سیلون کاروں کے نئے ماڈلز کی آمد اس بات کا عندیہ ہے کہ یہ شعبہ اپنی مضبوط کارکردگی کو جاری رکھے گا۔ توقع ہے کہ برآمدات اور بڑے پیمانے کے مینڈیٹیکرنگ شعبے کی نمو سے بڑے، چھوٹے اور درمیانی درجے کے کاروبار میں اثاثوں کی فنانسنگ کی طلب بڑھے گی۔

گروپ کی کارکردگی

کمپنیز ایکٹ 2017 کی دفعہ 227 کی پیروی میں اس رپورٹ کے ساتھ اوایل پی اور اس کی ذیلی کمپنی (دی گروپ) بنام اور کس سروسز پاکستان (پرائیویٹ) لمیٹڈ اور اور کس مضاربہ کے مجموعی مختصر عبوری مالیاتی معلومات برائے اختتام ششماہی 31 دسمبر 2020 پر مشتمل ہے۔

گروپ کی کارکردگی کی مالیاتی جھلکیاں درج ذیل ہیں:

اختتام ششماہی		
دسمبر 2019	دسمبر 2020	
----- روپے میں -----		
727,795,426	712,006,674	قبل از محصول (ٹیکس) منافع
188,833,635	187,758,574	محصولات (ٹیکس)
538,961,791	524,248,100	مدت کے لئے خالص منافع بعد از محصول (ٹیکس)
495,594,312	480,208,733	ہولڈنگ کمپنی کے ایکویٹی شنئیر ہولڈرز کو قابل ادائیگی منافع
43,367,479	44,039,367	نان کنٹرولنگ مداخلت سے قابل منسوب منافع
ری۔ اسٹیڈ		
2.83	2.74	فی شنئیر آمدنی۔ بنیادی اور رقیق شدہ

بورڈ کی جانب سے

K. P.

خالد عزیز مرزا
چیئر مین

شہین امین
چیف ایگزیکٹو آفیسر

22 فروری 2021ء

ڈائریکٹرز کی جائزہ رپورٹ

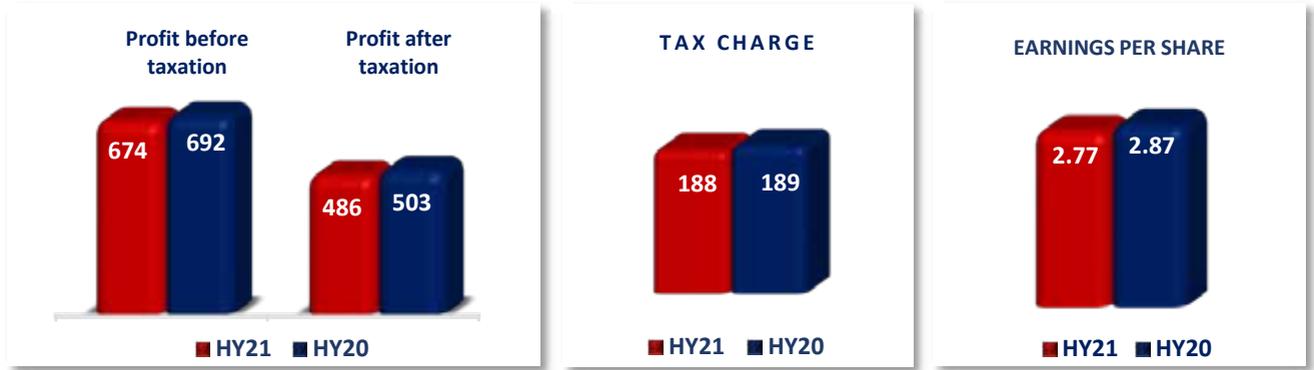
برائے اختتام ششماہی 31 دسمبر 2020ء

اور کس لیزنگ پاکستان لمیٹڈ (او ایل پی / دی کمپنی) کے بورڈ آف ڈائریکٹرز بمسرت غیر آڈٹ شدہ مختصر عبوری مالیاتی معلومات برائے اختتام ششماہی 31 دسمبر 2020 پیش کرتے ہیں۔

مالیاتی جھلکیاں اور کاروبار کا جائزہ

ششماہی مالیاتی کارکردگی کی جھلکیاں

(روپے ملین میں)



پہلی سہ ماہی میں شروع ہونے والی کاروباری سرگرمیوں کی بحالی، دوسری سہ ماہی میں بھی برقرار رہی ہیں۔ بڑھتی ہوئی برآمدات اور ترسیلات زر میں اضافے کے نتیجے میں پہلی ششماہی میں کرنٹ اکاؤنٹ سرپلس ہوا۔ مثبت کاروباری رجحان کی عکاسی KSE-100 انڈیکس سے بھی ہوئی جو 32 مہینوں میں پہلی مرتبہ 45,000 کا حجم عبور کر گئی۔ او ایل پی نے نئے کاروباری قرضوں اور واجب الادا پورٹ فولیو میں بہتری دیکھی ہے اور پہلی ششماہی میں 8,326 ملین روپے قرضے کی فراہمی (Disbursement) کی گئی ہیں جو کہ پچھلے سال 5,929 ملین روپے تھی۔

رپورٹنگ مدت میں منافع قبل از محصول 674 ملین رہا، جو کہ گزشتہ سال (دسمبر 2019: 692 ملین روپے) سے 3% کم ہے۔ یہ ریونیو میں 23% کمی کے باوجود حاصل کیا گیا جو کہ پہلی ششماہی 2021 میں 1,806 ملین روپے رہا جبکہ سال 2020 کے ششماہی میں 2,337 ملین روپے تھا جس کی وجہ شرح سود اور لیز اور قرض کے پورٹ فولیو میں کمی تھی، جو کہ کم ہو کر 20.3 بلین روپے رہی (دسمبر 2019 میں 21.0 بلین روپے)۔

کم شرح سود کے ساتھ قرض کے پورٹ فولیو میں کمی، جو کہ کم ہو کر 13 بلین روپے رہا (دسمبر 2019 میں 14.4 بلین روپے)، کے سبب فنانسنگ کی لاگت 589.4 ملین رہی جو کہ پچھلے سال کے مقابلے میں 39% کم ہو کر 967.1 ملین روپے رہی۔ انتظامی اخراجات 9% سے کم رہنے کے ساتھ 536.5 ملین روپے (دسمبر 2019 میں 593.8 ملین روپے) رہے جو کہ اسٹاف پر آنے والی لاگت کم کرنے کے سبب رہے۔

واجب الادا کیسز سے بازیابی میں نمایاں بہتری کے نتیجے میں 57 ملین کا پروویژن میں ریورسل (دسمبر 2019 میں 1.6 ملین روپے کا چارج) ممکن ہوا۔ 486 ملین روپے کا بعد از ٹیکس منافع 3% کم رہا جو کہ گزشتہ سال 503 ملین روپے تھا۔

INDEPENDENT AUDITOR'S REVIEW REPORT**To the members of ORIX Leasing 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 ORIX Leasing Pakistan Limited ("the Company") as at December 31, 2020 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, 2020 and December 31, 2019 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

Dated: February 22, 2021

Karachi

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

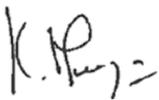
Unconsolidated Condensed Interim Statement of Financial Position

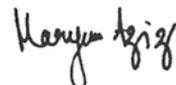
As at December 31, 2020

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees) -----	
ASSETS			
Non-current assets			
Fixed assets	5	1,432,019,512	1,736,680,099
Intangible assets	6	6,118,512	10,907,307
Net investment in finance lease	7	14,413,030,888	14,423,109,666
Current maturity		(7,669,246,143)	(7,503,453,058)
Allowance for potential lease losses		(842,503,086)	(935,907,045)
		(8,511,749,229)	(8,439,360,103)
		5,901,281,659	5,983,749,563
Investment in subsidiaries		322,374,294	322,374,294
Investment in associate		910,462,854	944,087,843
Long-term investments	8	383,860,704	442,872,077
Long-term finances and loans		3,422,251,944	2,312,670,328
Long-term deposits		13,512,566	12,932,566
		12,391,882,045	11,766,274,077
Current assets			
Short-term finances		92,063,041	233,606,528
Accrued return on investments and term finance		118,504,207	120,754,142
Current maturity of non-current assets	9	10,324,075,922	9,458,291,323
Short-term investments	10	261,179,352	803,339,788
Advances and prepayments		34,473,814	18,311,409
Other receivables		46,528,594	80,233,054
Cash and bank balances		160,546,120	207,910,897
Defined benefit plan asset		31,868,207	39,263,947
		11,069,239,257	10,961,711,088
Assets classified as held for sale	11	268,955,617	270,818,625
		23,730,076,919	22,998,803,790
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital		3,500,000,000	3,500,000,000
350,000,000 (June 30, 2020: 350,000,000) ordinary shares of Rs.10 each			
Issued, subscribed and paid-up capital	12	1,754,076,470	1,670,549,020
Reserves		6,720,419,166	6,563,188,320
		8,474,495,636	8,233,737,340
Non-current liabilities			
Long-term finances	13	4,258,044,250	4,579,592,284
Long-term certificates of deposit		2,449,531,579	2,629,732,769
Deferred taxation		497,048,552	515,506,913
Other long-term liabilities		319,958,938	287,777,777
		7,524,583,319	8,012,609,743
Current liabilities			
Trade and other payables		845,788,810	362,241,725
Accrued interest / mark-up / profit on loans, finances and certificates of deposit		232,759,709	314,177,222
Unclaimed dividend		27,579,168	26,901,411
Short-term borrowings	14	1,005,349,948	171,304,003
Short-term certificates of deposit		1,227,578,254	1,046,812,035
Taxation - net		273,054,894	367,775,838
Current maturity of non-current liabilities	15	4,118,887,181	4,463,244,473
		7,730,997,964	6,752,456,707
		23,730,076,919	22,998,803,790
Total equity and liabilities			
Contingencies and commitments			
	16		

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


Shaheen Amin
Chief Executive Officer


Khalid Aziz Mirza
Director


Maryam Aziz
Chief Financial Officer

Unconsolidated Condensed Interim Statement of Profit or Loss (Un-Audited)

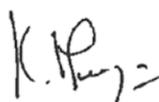
For the Half Year and Quarter ended December 31, 2020

	Note	Half year ended		Quarter ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
INCOME					
Income from operations					
Finance leases		1,129,968,233	1,585,277,072	564,993,248	788,516,955
Operating leases		66,634,054	98,834,080	27,318,230	48,365,216
Mark-up on term finance		444,485,176	474,335,150	232,680,437	247,348,873
		<u>1,641,087,463</u>	<u>2,158,446,302</u>	<u>824,991,915</u>	<u>1,084,231,044</u>
Income from other activities					
Other income - net	17	151,703,492	158,873,360	75,481,639	89,859,170
Share of profit of associate under equity accounting	18	13,142,059	20,048,698	10,142,864	11,251,354
		<u>164,845,551</u>	<u>178,922,058</u>	<u>85,624,503</u>	<u>101,110,524</u>
		<u>1,805,933,014</u>	<u>2,337,368,360</u>	<u>910,616,418</u>	<u>1,185,341,568</u>
EXPENSES					
Finance cost	19	589,466,498	967,106,998	286,706,623	492,805,867
Administrative and general expenses		536,553,400	593,892,048	285,473,972	305,680,913
Direct cost		63,761,642	82,969,696	27,873,947	40,731,316
		<u>1,189,781,540</u>	<u>1,643,968,742</u>	<u>600,054,542</u>	<u>839,218,096</u>
Profit before provision and taxation		<u>616,151,474</u>	<u>693,399,618</u>	<u>310,561,876</u>	<u>346,123,472</u>
(Reversal of provision) / provision for potential leases and other loan losses - net		(67,260,358)	13,508,143	(46,765,075)	(7,623,971)
Other provision / (reversal of provision) - net	20	9,862,837	(11,950,265)	9,843,351	(13,070,503)
		<u>(57,397,521)</u>	<u>1,557,878</u>	<u>(36,921,724)</u>	<u>(20,694,474)</u>
Profit before taxation		<u>673,548,995</u>	<u>691,841,740</u>	<u>347,483,600</u>	<u>366,817,946</u>
Taxation - Current		194,522,737	281,271,715	139,792,304	226,017,669
- Prior		1,379,840	(663,811)	1,379,840	(663,811)
- Deferred		(8,144,003)	(91,774,269)	(43,200,527)	(130,856,012)
		<u>187,758,574</u>	<u>188,833,635</u>	<u>97,971,617</u>	<u>94,497,846</u>
Net profit for the period after taxation		<u>485,790,421</u>	<u>503,008,105</u>	<u>249,511,983</u>	<u>272,320,100</u>
			Restated		Restated
Earnings per share - basic and diluted	25	<u>2.77</u>	<u>2.87</u>	<u>1.42</u>	<u>1.55</u>

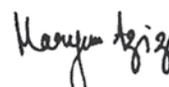
The annexed notes 1 to 27 form an integral part of these unconsolidated condensed interim financial statements.



Shaheen Amin
Chief Executive Officer



Khalid Aziz Mirza
Director



Maryam Aziz
Chief Financial Officer

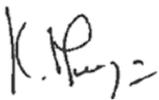
Unconsolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Un-Audited)

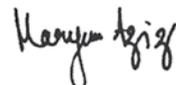
For the Half Year and Quarter ended December 31, 2020

	Half year ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	----- (Rupees) -----			
Profit for the period after taxation	485,790,421	503,008,105	249,511,983	272,320,100
Other comprehensive income / (loss)				
<i>Items that will be subsequently reclassified to statement of profit or loss</i>				
Exchange (loss) / gain arising on translation of foreign associate - net of deferred tax	(37,107,978)	(41,537,990)	(28,500,659)	(6,178,493)
<i>Items that will not be subsequently reclassified to statement of profit or loss</i>				
Fair value changes on remeasurement of financial assets - net of deferred tax	239,196	(70,355,355)	239,196	(50,790,480)
Share of other comprehensive income of associate under equity accounting	655,285	333,567	456,654	204,376
	894,481	(70,021,788)	695,850	(50,586,104)
Total comprehensive income for the period	449,576,924	391,448,327	221,707,174	215,555,503

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


Shaheen Amin
 Chief Executive Officer


Khalid Aziz Mirza
 Director


Maryam Aziz
 Chief Financial Officer

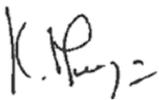
Unconsolidated Condensed Interim Statement of Cash Flows (Un-Audited)

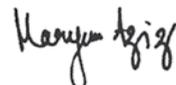
For the Half Year ended December 31, 2020

Note	Half year ended	
	December 31, 2020	December 31, 2019
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
	673,548,995	691,841,740
Profit before taxation for the period		
Adjustments for:		
	103,755,629	117,695,868
	674,188	2,070,246
19	(67,260,358)	13,508,143
	9,862,837	(11,950,265)
	8,166,172	10,444,520
	(13,142,059)	(20,048,698)
	3,361,302	(364,771)
	588,792,310	965,036,752
	(11,936,665)	(12,021,063)
	(42,080,646)	(41,845,599)
	(6,184,248)	153,318
	279,607	-
	574,288,069	1,022,678,451
Operating cash flows before working capital changes		
	1,247,837,064	1,714,520,191
Decrease / (increase) in operating assets		
	6,602,838	1,389,854,981
	(1,763,624,100)	(145,379,291)
	136,500,899	(12,001,264)
	(580,000)	(482,500)
	(16,150,561)	11,520,209
	37,235,417	24,431,592
	(1,600,015,507)	1,267,943,727
Increase / (decrease) in operating liabilities		
	(207,058,793)	(205,074,982)
	490,942,825	(28,199,305)
	283,884,032	(233,274,287)
	(68,294,411)	2,749,189,631
Cash (used in) / generated from operating activities		
	-	(9,604,362)
	-	(985,545)
	(290,623,521)	(98,254,409)
	(290,623,521)	(108,844,316)
	(358,917,932)	2,640,345,315
Net cash (used in) / generated from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
	(9,909,019)	(31,510,010)
	8,030,820	3,346,597
	216,698,392	-
	527,993,732	2,853,032
	11,936,665	12,021,063
	29,260,949	21,281,571
	784,011,539	7,992,253
Net cash generated from investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
	1,300,000,000	800,000,000
	450,000,000	300,000,000
	(14,295,833)	17,597,705
	(1,937,540,512)	(1,723,302,749)
	(432,565,220)	(679,248,953)
	(13,961,891)	(14,541,408)
	(208,140,873)	(623,725,909)
	(856,504,329)	(1,923,221,314)
Net cash used in financing activities		
	(431,410,722)	725,116,254
	36,606,894	(908,328,951)
24	(394,803,828)	(183,212,697)
Net (decrease) / increase in cash and cash equivalents		
Cash and cash equivalents at beginning of the period		
Cash and cash equivalents at end of the period		

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


Shaheen Amin
 Chief Executive Officer


Khalid Aziz Mirza
 Director


Maryam Aziz
 Chief Financial Officer

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Un-Audited)

For the Half Year ended December 31, 2020

1 LEGAL STATUS AND OPERATIONS

ORIX Leasing Pakistan Limited ("the Company") was incorporated in Pakistan as a private limited company on July 1, 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 Regulation) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Company is situated at ORIX Building, Plot No. 16, Sector No. 24, Korangi Industrial Area, Karachi.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a long-term rating of AA+ (2019: AA+) and a short-term rating of A1+ (2019: A1+) to the Company on March 04, 2020 (2019: August 28, 2019).

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

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

2.4 These unconsolidated condensed interim financial statements are unaudited. However, a review has been performed by the external auditors in accordance with the requirements of the Code of Corporate Governance.

2.5 The comparative statement of financial position presented in these unconsolidated condensed interim financial statements has been extracted from the annual published unconsolidated audited financial statements of the Company for the year ended June 30, 2020, whereas the comparative statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow are stated from the unconsolidated unaudited condensed interim financial statements for the period ended December 31, 2019.

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Un-Audited)

For the Half Year ended December 31, 2020

2.6 These unconsolidated condensed interim financial statements have been presented in Pakistani Rupees, which is the functional and presentation currency of the Company.

3 SIGNIFICANT POLICIES, ESTIMATES, ASSUMPTIONS AND CHANGES THEREIN

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

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

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

3.3.1 Employees compensated absences

During the current period, the Company has changed its policy for compensated absences for its eligible permanent employees. Previously, the Company operated an 'Accumulated paid absences' policy whereby the absences were of a vesting nature (employees were entitled to cash payments for unused entitlement on leaving the Company) and accordingly, recognised an obligation amounting to Rs 31.29 million as at June 30, 2020 measured on the basis of actuarial recommendations using the Projected Unit Credit Method, as per the requirements of IAS 19 which has been derecognised during the current period due to change in the HR policy.

Under the new policy which is effective from July 1, 2020, all un-availed privilege leave will lapse at year end with no accumulation or carry forward of privilege leave to the next year. Accordingly, the Company shall have no obligation at the close of the year to record any liability in respect of compensated absences at the year end.

3.4 New and amended standards and interpretations to published accounting and reporting standards that are effective in the current period

There are certain amendments to the published accounting and reporting standards that are mandatory for the Company's accounting period beginning on July 1, 2020. However, these do not have any significant impact on the Company's operations and, therefore, have not been detailed in these unconsolidated condensed interim financial statements.

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

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

4 RISK MANAGEMENT POLICIES

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

	(Un-audited) December 31, 2020	(Audited) June 30, 2020
	----- (Rupees) -----	
5 FIXED ASSETS		
Own use	1,119,391,689	1,147,780,393
Operating lease	129,321,986	134,373,122
Ijarah finance	80,698,126	340,687,251
Right-of-use assets	102,607,711	113,839,333
	<u>1,432,019,512</u>	<u>1,736,680,099</u>

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Un-Audited)

For the Half Year ended December 31, 2020

5.1 The following is a statement of cost of additions and disposals to / from fixed assets for the half year ended December 31, 2020.

	Own use		Right-of-use assets		Asset under Ijarah financing	
	Additions	Disposals	Additions	Disposals	Additions	Disposals
	----- (Rupees) -----					
Generators / machinery	117,500	-	-	-	-	475,990,859
Right-of-use assets	-	-	2,942,198	-	-	-
Leasehold improvements	1,890,590	-	-	-	-	-
Furniture, fittings and office equipment	2,661,494	1,106,602	-	-	-	-
Computers and accessories	5,083,635	68,950	-	-	-	-
Vehicles	155,800	6,447,500	-	-	-	-
December 31, 2020	9,909,019	7,623,052	2,942,198	-	-	475,990,859
December 31, 2019	45,460,500	8,675,365	-	-	-	31,058,500

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
----- (Rupees) -----			
6 INTANGIBLE ASSETS			
Computer software and license	6.1	6,118,512	10,907,307

6.1 There were no additions and disposals during the half year ended December 31, 2020 (December 2019: Additions amounting to Rs. 126,069).

	Note	(Un-audited) December 31, 2019	(Audited) June 30, 2020
----- (Rupees) -----			
7 NET INVESTMENT IN FINANCE LEASE			

Instalment contract receivables		17,198,721,957	17,778,931,662
Residual value		7,462,409,173	7,578,780,621
Less: adjustable security deposit	7.1	(7,436,385,570)	(7,554,263,764)
Gross investment in finance lease	7.2	17,224,745,560	17,803,448,519
Less: unearned finance income		2,811,714,672	3,380,338,853
Present value of investment in finance lease		14,413,030,888	14,423,109,666

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 rates of return on leases range from 9.3% to 27.5% (June 30, 2020: 11.7% to 27.5%) per annum. These are secured against leased assets and security deposits averaging 22.2% (June 30, 2020: 21.6%) of the cost of leased asset and personal guarantees.

	(Un-audited) December 31, 2020	(Audited) June 30, 2020
----- (Rupees) -----		
8 LONG-TERM INVESTMENTS		

Amortised cost

Pakistan Investment Bonds (PIBs) 447,434,813 442,872,077

At fair value through other comprehensive income

Al Hail ORIX Finance PSC	279,097,858	279,097,858
Less: Fair value change in remeasurement of financial assets	(279,097,858)	(279,097,858)
	-	-
Less: current maturity	63,574,109	-
	383,860,704	442,872,077

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Un-Audited)

For the Half Year ended December 31, 2020

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
----- (Rupees) -----			
9	CURRENT MATURITY OF NON-CURRENT ASSETS		
	Current maturity of:		
	Net investment in finance lease	7,669,246,143	7,503,453,058
	Long-term investments	63,574,109	-
	Long-term finances and loans	2,591,255,670	1,954,838,265
		<u>10,324,075,922</u>	<u>9,458,291,323</u>

10 SHORT-TERM INVESTMENTS

At fair value through profit or loss

Treasury bills

234,920,238

777,319,870

At fair value through other comprehensive income

Ordinary shares - unlisted

26,259,114

26,019,918

261,179,352

803,339,788

11 ASSETS CLASSIFIED AS HELD FOR SALE

Repossessed assets

4,458,181

6,321,189

Investments in associates

- OPP (Private) Limited

11.1

87,754,399

87,754,399

- SAMA Finance SAE (SAMA)

11.2

172,043,037

172,043,037

Stock Exchange room

4,700,000

4,700,000

268,955,617

270,818,625

11.1 The Company holds 45% ownership interest in OPP (Private) Limited. Management intends to divest its investment in OPP and has filed a reference in Lahore High Court to either allow the Company to buy out the minority shareholder in OPP or to wind up OPP, which is pending to date.

11.2 The Company holds 23% ownership interest in SAMA. A sale purchase agreement was signed in October 2019 and the process of disposal of SAMA would be completed after necessary regulatory approvals.

12 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

(Un-audited) December 31, 2020	(Audited) June 30, 2020		(Un-audited) December 31, 2020	(Audited) June 30, 2020
----- (Number of shares) -----			----- (Rupees) -----	
		Ordinary shares of Rs. 10 each		
106,485,517	106,485,517	Fully paid in cash	1,064,855,170	1,064,855,170
66,739,592	58,386,847	Fully paid bonus shares	667,395,920	583,868,470
2,182,538	2,182,538	Fully paid shares against amalgamation	21,825,380	21,825,380
<u>175,407,647</u>	<u>167,054,902</u>		<u>1,754,076,470</u>	<u>1,670,549,020</u>

12.1 During the period, the Company issued 8,352,745 bonus shares from share premium reserves.

Reconciliation between ordinary shares in issue at beginning and end of the period / year is as follows:

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
----- (Number of shares) -----			
At beginning of the period / year		167,054,902	167,054,902
Issue of bonus shares during the period / year		8,352,745	-
At end of the period / year		<u>175,407,647</u>	<u>167,054,902</u>

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Un-Audited)

For the Half Year ended December 31, 2020

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
----- (Rupees) -----			
13	LONG-TERM FINANCES - Secured		
	Long-term finances utilised under mark-up arrangements - financial institutions	7,644,444,441	8,283,333,329
	Less: unamortised transaction cost	(289,079)	(963,267)
	Less: current maturity	(3,386,111,112)	(3,702,777,778)
		<u>(3,386,400,191)</u>	<u>(3,703,741,045)</u>
		<u>4,258,044,250</u>	<u>4,579,592,284</u>
14	SHORT-TERM BORROWINGS - Secured		
	From banking companies		
	Running finance arrangements	555,349,948	171,304,003
	Short-term loans	450,000,000	-
		<u>1,005,349,948</u>	<u>171,304,003</u>
15	CURRENT MATURITY OF NON-CURRENT LIABILITIES		
	Current maturity of:		
	Long-term finances	3,386,111,112	3,702,777,778
	Long-term certificates of deposit	715,869,551	730,730,413
	Lease liability against right-of-use assets	16,906,518	29,736,282
		<u>4,118,887,181</u>	<u>4,463,244,473</u>
16	CONTINGENCIES AND COMMITMENTS		
16.1	There was no change in the status of contingencies as disclosed in the note 32 to the annual published audited unconsolidated financial statements for the year ended June 30, 2020 except for the following:		
16.1.1	On December 8, 2020, the Company received amended assessment order under section 122(5A) of the Income Tax Ordinance 2001 (the Ordinance) for tax year 2019 where demand of Rs. 1,022 million was raised. This was mainly the result of disallowance of tax loss on lease terminations and certain other matters including super tax. The Company preferred an appeal against this order before the CIR-A and the same is pending for adjudication.		
	Based on tax advisor's opinion, the management is confident of a favorable outcome. Accordingly, no tax provision has been made in these unconsolidated condensed interim financial statements.		
16.1.2	The Company by way of the amendment notices and the Orders under section 122(5A) of the Ordinance was charged with the levy of super tax under section 4B of the Ordinance for the tax years 2015 to 2018. Similarly in the amended order dated December 8, 2020 under section 122(5A) for tax year 2019, super tax was levied.		
	In January 2019, the Company had filed constitutional petitions before the Sindh High Court (SHC) challenging the levy of super tax, however this was dismissed on July 21, 2020, on the grounds that levy of super tax is lawful and is an additional tax, not a double tax. On September 12, 2020, the Company filed a petition in the Supreme Court of Pakistan (SCP) for respective tax years and on November 26, 2020, SCP granted stay subject to depositing of 50% of the impugned outstanding tax with the authorities.		
	The Officer has not yet given the effect to the orders passed by the CIR-A for the tax years 2015 to 2019 therefore the liability of super tax has not yet been determined.		
	On December 23, 2020, the Company, through the order passed under section 4B of the Ordinance for tax year 2018, was required to pay super tax of Rs. 61 million. This order was passed without considering that the ACIR through the amended order dated February 21, 2019 had levied super tax of Rs. 148 million, which was maintained by the CIR-A. However, CIR-A directed to remove the said amount from the recovery until the matter is disposed of by the SHC. The Company filed an appeal before CIR-A on January 21, 2021 along with deposit of 50% (Rs. 25.8 million) of the due super tax with the authorities.		
	The Company holds provisions for super tax payable in the respective tax years 2016 to 2019 aggregating to Rs. 145 million.		
16.2	Leases committed but not executed at the reporting date amounted to Rs. 7.12 million (June 30, 2020: Rs. 9.01 million).		

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Un-Audited)

For the Half Year ended December 31, 2020

16.3 Commitments relating to capital expenditure at the reporting date amounted to Rs. 5.65 million (June 30, 2020: Rs. 5.65 million).

		(Un-audited)	
		Half year ended	
		December 31, 2020	December 31, 2019
		(Rupees)	
17	OTHER INCOME - NET		
	Income from investments	50,656,009	54,231,433
	Other fees and income	101,047,483	104,641,927
		<u>151,703,492</u>	<u>158,873,360</u>

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

Name of associate	(Un-audited)			
	Half year ended December 31, 2020		Half year ended December 31, 2019	
	Associates' profit after tax	Share of associates' profit after tax	Associates' profit after tax	Share of associates' profit after tax
(Rupees)				
Un-quoted				
Saudi ORIX Leasing Company	657,102,866	13,142,059	1,002,434,956	20,048,698

		(Un-audited)	
		Half year ended	
		December 31, 2020	December 31, 2019
		(Rupees)	
19	FINANCE COST		
	Interest / mark-up / profit on:		
	- Long-term finances	321,522,040	683,053,042
	- Short-term borrowings	22,083,455	50,834,600
	- Certificates of deposit	235,667,013	215,544,064
	- Lease liability against right-of-use assets	6,520,049	8,804,591
	Amortisation of transaction cost	674,188	2,070,246
	Bank charges	2,999,753	6,800,455
		<u>589,466,498</u>	<u>967,106,998</u>

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

Operating lease, investments and other receivables

Reversal of provision against other receivables and investments

Provision / (reversal of provision) against ijarah receivable

-	(4,556,865)
-	2,666,486
-	(1,890,379)

Others

Provision for Workers' Welfare Fund

Impairment / (reversal of impairment) on assets classified as 'held for sale'

9,280,851	-
581,986	(10,059,886)
<u>9,862,837</u>	<u>(11,950,265)</u>

21 **SEGMENT INFORMATION**

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

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Un-Audited)

For the Half Year ended December 31, 2020

December 31, 2020					
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, 2020 - (Un-audited)

Segment revenues	1,191,374,631	451,735,200	2,613,772	69,647,505	90,561,906	1,805,933,014
Finance cost	375,144,741	142,925,213	3,407,123	6,473,750	61,515,671	589,466,498
Administrative and general expenses	394,573,339	128,791,985	8,895,047	4,293,029	-	536,553,400
Direct cost	8,198,973	1,025,982	8,615,415	45,921,272	-	63,761,642
Provision charge	232,825,958	54,109,455	-	-	581,985	287,517,398
Reversal of provision	(322,753,982)	(31,441,788)	-	-	-	(354,195,770)
(Reversals) / provision-net	(89,928,024)	22,667,667	-	-	581,985	(66,678,372)
Segment results	503,385,602	156,324,353	(18,303,813)	12,959,454	28,464,250	682,829,846
Provision for Workers' Welfare Fund						(9,280,851)
Provision for taxation						(187,758,574)
Profit for the period						485,790,421

Other information

Segment assets	13,574,985,985	5,990,129,234	129,321,983	86,194,710	2,222,752,091	22,003,384,003
Unallocated assets						1,726,692,916
Total assets						23,730,076,919
Segment liabilities	351,978,384	122,306,921	92,400	-	-	474,377,705
Unallocated liabilities						14,781,203,578
Total liabilities						15,255,581,283

Segment analysis for the half year ended December 31, 2020 - (Un-audited)

Capital expenditure	-	-	-	-	-	-
Depreciation	-	-	5,051,136	45,874,800	-	50,925,936
Unallocated capital expenditure	-	-	-	-	-	12,851,217
Unallocated depreciation and amortisation	-	-	-	-	-	52,829,693

December 31, 2019					
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, 2019 - (Un-audited)

Segment revenues	1,669,996,000	483,750,439	1,570,485	97,305,299	84,746,137	2,337,368,360
Finance cost	672,772,004	181,338,559	5,532,054	17,007,315	90,457,066	967,106,998
Administrative and general expenses	471,265,235	107,058,095	8,846,369	6,722,348	-	593,892,048
Direct cost	6,827,734	396,121	5,895,171	69,850,669	-	82,969,696
Provision charge	71,115,669	30,605,989	2,950,786	-	109,802	104,782,246
Reversal of provision	(73,993,751)	(14,219,765)	(90,005)	(194,295)	(14,726,552)	(103,224,368)
(Reversals) / provision-net	(2,878,082)	16,386,224	2,860,781	(194,295)	(14,616,750)	1,557,878
Segment result	522,009,109	178,571,439	(21,563,890)	3,919,261	8,905,821	691,841,740
Provision for Workers' Welfare Fund						-
Provision for taxation						(188,833,635)
Profit for the period						503,008,105

Segment assets and liabilities for the year ended June 30, 2020 (Audited)

Segment assets	13,487,202,621	4,418,317,624	134,373,122	404,511,902	2,987,044,266	21,431,449,535
Unallocated assets						1,567,354,255
Total assets						22,998,803,790
Segment liabilities	52,771,236	9,539,048	7,190,967	134,490	-	69,635,741
Unallocated liabilities						14,695,430,709
Total liabilities						14,765,066,450

For the half year ended December 31, 2019 - (Un-audited)

Capital expenditure	-	-	-	-	-	-
Depreciation	-	-	5,051,136	69,813,518	-	74,864,654
Unallocated capital expenditure	-	-	-	-	-	45,586,569
Unallocated depreciation and amortisation	-	-	-	-	-	42,831,214

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Un-Audited)

For the Half Year ended December 31, 2020

22 TRANSACTIONS / BALANCES WITH RELATED PARTIES

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

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

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

	(Un-audited)	
	Half year ended	
	December 31, 2020	December 31, 2019
	----- (Rupees) -----	
ORIX Corporation, Japan - Parent Company - 49.58% Holding		
Dividend paid - net of tax	95,760,091	287,280,276
4,141,291 bonus shares issued (2019: Nil)	-	-
Saudi ORIX Leasing Company - Associate / Common directorship - 2.5% ownership		
Reimbursement of cost	13,163,768	4,758,990
ORIX Modaraba - Subsidiary - 20% ownership		
Dividend income	11,345,883	11,345,883
Reimbursement of cost	299,279	247,064
ORIX Leasing Pakistan Limited-Employees Provident Fund (OLP - EPF)		
Contribution paid	14,672,639	15,663,670
ORIX Leasing Pakistan Limited-Staff Gratuity Fund (OLP - SGF)		
Contribution paid	-	9,604,362
Charity / Donation paid - Common Directorship		
The Layton Rahmatullah Benevolent Trust - Charity	500,000	-
The Layton Rahmatullah Benevolent Trust - Donation	-	500,000
The Indus Hospital - Donation	-	500,000
Other related party transactions during the period		
Directors and Key Management Personnel		
Compensation of directors and key management personnel		
Directors' fees paid	7,400,000	2,000,000
Short-term employee benefits	82,078,480	100,306,652
Retirement benefits	2,610,975	5,958,158
Total compensation to directors and key management personnel	92,089,455	108,264,810
Other transactions with Key Management Personnel		
Amount of profit on certificates of deposit	95,883	94,377
Staff loans disbursed	5,039,300	3,042,627
Interest recovered on staff loans	1,043,885	981,958
Principal recovered on staff loans	4,705,036	3,378,979
Dividend paid to key management personnel - net of tax	165,828	499,863
7,856 bonus shares issued to key management personnel	-	-
Dividend paid to the Chief Executive Officer of the Company - net of tax	213,137	511,912
10,030 bonus shares issued to the Chief Executive Officer of the Company	-	-

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Un-Audited)

For the Half Year ended December 31, 2020

	(Un-audited) December 31, 2020	(Audited) June 30, 2020
	----- (Rupees) -----	
22.2 Balances with related parties as at period / year end		
Investment in subsidiaries	<u>322,374,294</u>	<u>322,374,294</u>
Investment in associate - Saudi ORIX Leasing Company - 2.5% (June 30, 2020: 2.5%) ownership	<u>910,462,854</u>	<u>944,087,843</u>
Long term investment - Al Hail ORIX Finance PSC (net of provision)	<u>-</u>	<u>-</u>
Assets classified as held for sale		
- OPP (Private) Limited - 45% (June 30, 2020: 45%) ownership	<u>87,754,399</u>	<u>87,754,399</u>
- SAMA Finance SAE - 23% (June 30, 2020: 23%) ownership	<u>172,043,037</u>	<u>172,043,037</u>
Certificates of deposit held	<u>2,100,000</u>	<u>2,100,000</u>
Accrued profit on certificates of deposit payable	<u>10,147</u>	<u>9,628</u>
Outstanding loans to Key Management Personnel	<u>21,280,849</u>	<u>20,042,773</u>
Receivable from Saudi ORIX Leasing Company - Associate	<u>4,855,125</u>	<u>9,697,526</u>
Receivable from ORIX Corporation, Japan - Parent Company	<u>757,140</u>	<u>757,140</u>

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

Fair value hierarchy

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

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

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Un-Audited)

For the Half Year ended December 31, 2020

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:

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

(Rupees)

RECURRING FAIR VALUE MEASUREMENTS

Financial assets

Financial assets at fair value through other comprehensive income

Ordinary shares - unlisted	-	26,259,114	-	26,259,114
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Financial assets at fair value through profit or loss

Treasury bills	-	234,920,238	-	234,920,238
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Non-financial assets

Fixed assets (Leasehold land and building)

	-	-	953,151,691	953,151,691
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Total	-	261,179,352	953,151,691	1,214,331,043
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June 30, 2020 (Audited)			
Fair value			
Level 1	Level 2	Level 3	Total

(Rupees)

RECURRING FAIR VALUE MEASUREMENTS

Financial assets

Financial assets at fair value through other comprehensive income

Ordinary shares - unlisted	-	26,019,918	-	26,019,918
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Financial assets at fair value through profit or loss

Treasury bills	-	777,319,870	-	777,319,870
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Non-financial assets

Fixed assets (Leasehold land and building)

	-	-	965,428,358	965,428,358
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Total	-	803,339,788	965,428,358	1,768,768,146
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24 CASH AND CASH EQUIVALENTS

Cash at bank
Cash in hand

Running finance arrangements

Note	(Un-audited) Half year ended	
	December 31, 2020	December 31, 2019

(Rupees)

158,772,831	196,844,268
1,773,289	1,716,188
160,546,120	198,560,456
(555,349,948)	(381,773,153)
(394,803,828)	(183,212,697)

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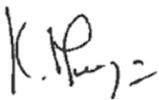
Consolidated Condensed Interim Statement of Financial Position

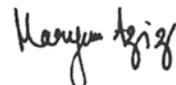
As at December 31, 2020

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	Rupees	
ASSETS			
Non-current assets			
Fixed assets	5	4,115,816,641	4,373,998,639
Intangible assets	6	50,828,438	61,906,765
Net investment in finance lease	7	14,413,030,888	14,423,109,666
Current maturity		(7,669,246,143)	(7,503,453,058)
Allowance for potential lease losses		(842,503,086)	(935,907,045)
		(8,511,749,229)	(8,439,360,103)
		5,901,281,659	5,983,749,563
Investment in associate		910,462,854	944,087,843
Long-term investments	8	397,885,564	454,228,517
Long-term finances and loans		5,302,193,588	4,558,157,907
Long-term deposits		13,512,566	12,932,566
		16,691,981,310	16,389,061,800
Current assets			
Short-term finances		92,063,041	233,606,528
Accrued return on investments and term finance		118,504,207	163,434,051
Current maturity of non-current assets	9	11,525,658,913	10,443,289,111
Short-term investments	10	261,179,352	803,339,788
Other receivables		215,330,142	268,546,763
Advances and prepayments		275,936,445	123,539,353
Net investment in Ijarah finance		370,000	370,000
Cash and bank balances		924,093,143	1,250,709,145
Defined benefit plan asset		31,868,207	39,263,947
		13,445,003,450	13,326,098,686
Assets classified as held for sale	11	268,955,617	270,818,625
Total assets		30,405,940,377	29,985,979,111
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital		3,500,000,000	3,500,000,000
350,000,000 (June 30, 2020: 350,000,000) Ordinary shares of Rs.10 each			
Issued, subscribed and paid-up capital	12	1,754,076,470	1,670,549,020
Reserves		6,679,480,609	6,527,831,451
Total equity attributable to equity holder of the Holding Company		8,433,557,079	8,198,380,471
Non-controlling interest		934,615,200	981,345,164
		9,368,172,279	9,179,725,635
Non-current liabilities			
Long-term finances	13	5,147,444,094	5,300,407,489
Long-term certificates of deposit		2,449,531,579	2,629,732,769
Long-term deposits		365,471,043	375,075,859
Deferred taxation		497,048,552	515,506,913
Other long-term liabilities		319,958,938	287,777,777
Redeemable capital		33,149,999	39,100,000
		8,812,604,205	9,147,600,807
Current liabilities			
Trade and other payables		1,151,386,719	602,817,775
Accrued interest / mark-up on loans, finances and certificates of deposit		319,940,043	392,671,256
Unclaimed dividend		87,695,653	85,020,835
Short-term borrowings	14	1,005,349,948	171,304,003
Short-term certificates of deposit		1,227,578,254	1,046,812,035
Taxation-net		244,474,982	343,188,705
Current maturity of non-current liabilities	15	8,188,738,294	9,016,838,060
		12,225,163,893	11,658,652,669
Total equity and liabilities		30,405,940,377	29,985,979,111
Contingencies and Commitments			
	16		

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


Shaheen Amin
Chief Executive Officer


Khalid Aziz Mirza
Director


Maryam Aziz
Chief Financial Officer

Consolidated Condensed Interim Statement of Profit or Loss (Un-Audited)

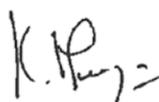
For the Half Year and Quarter ended December 31, 2020

Note	Half year ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
-----Rupees-----				
INCOME				
Income from operations				
Finance leases	1,129,968,233	1,585,277,072	564,993,248	788,516,955
Operating leases	711,356,770	860,575,558	351,361,479	444,964,996
Mark-up on term finance	621,726,698	705,601,280	319,962,059	364,026,763
	<u>2,463,051,701</u>	<u>3,151,453,910</u>	<u>1,236,316,786</u>	<u>1,597,508,714</u>
Income from other activities				
Other income - net	17 186,466,554	213,607,955	99,685,872	137,659,334
Share of profit of associate under equity accounting	18 13,142,059	20,048,698	10,142,864	11,251,354
	<u>199,608,613</u>	<u>233,656,653</u>	<u>109,828,736</u>	<u>148,910,688</u>
	<u>2,662,660,314</u>	<u>3,385,110,563</u>	<u>1,346,145,522</u>	<u>1,746,419,402</u>
EXPENSES				
Finance cost	19 755,712,938	1,279,980,924	367,036,553	655,761,165
Administrative and general expenses	649,970,785	700,365,908	344,981,589	363,421,345
Direct cost	578,671,851	664,580,574	288,360,757	336,858,245
	<u>1,984,355,574</u>	<u>2,644,927,406</u>	<u>1,000,378,899</u>	<u>1,356,040,755</u>
Profit before provision and taxation	<u>678,304,740</u>	<u>740,183,157</u>	<u>345,766,623</u>	<u>390,378,647</u>
Provision / (Reversal of provision) for potential lease and other loan losses - net	(45,853,227)	22,150,718	(34,997,715)	1,018,604
Other provision / (reversal of provision) - net	20 12,151,293	(9,762,987)	5,188,107	(11,792,045)
	<u>(33,701,934)</u>	<u>12,387,731</u>	<u>(29,809,608)</u>	<u>(10,773,441)</u>
Profit before taxation	<u>712,006,674</u>	<u>727,795,426</u>	<u>375,576,231</u>	<u>401,152,088</u>
Taxation - Current	194,522,737	281,271,715	139,792,304	226,017,669
- Prior	1,379,840	(663,811)	1,379,840	(663,811)
- Deferred	(8,144,003)	(91,774,269)	(43,200,527)	(130,856,012)
	<u>187,758,574</u>	<u>188,833,635</u>	<u>97,971,617</u>	<u>94,497,846</u>
Net profit for the period after taxation	<u>524,248,100</u>	<u>538,961,791</u>	<u>277,604,614</u>	<u>306,654,242</u>
Profit attributable to				
Equity shareholders of the Holding Company	480,208,733	495,594,312	252,850,445	278,314,399
Non-controlling interest	44,039,367	43,367,479	24,754,169	28,339,843
	<u>524,248,100</u>	<u>538,961,791</u>	<u>277,604,614</u>	<u>306,654,242</u>
		Restated		Restated
Earnings per share - basic and diluted	25 <u>2.74</u>	<u>2.83</u>	<u>1.44</u>	<u>1.59</u>

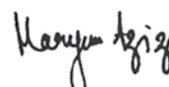
The annexed notes 1 to 27 form an integral part of these consolidated condensed interim financial statements.



Shaheen Amin
Chief Executive Officer



Khalid Aziz Mirza
Director



Maryam Aziz
Chief Financial Officer

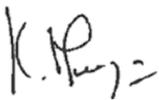
Consolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Un-Audited)

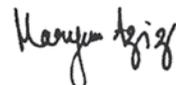
For the Half Year and Quarter ended December 31, 2020

	Half year ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
-----Rupees-----				
Profit for the period after taxation attributable to:				
Equity shareholders of the Holding Company	480,208,733	495,594,312	252,850,445	278,314,399
Non-controlling interest	44,039,367	43,367,479	24,754,169	28,339,843
	524,248,100	538,961,791	277,604,614	306,654,242
Other comprehensive income				
Items that will be subsequently reclassified to profit or loss				
Exchange loss arising on translation of foreign associates - net of deferred tax	(37,107,978)	(41,537,990)	(28,500,659)	(6,178,493)
Items that will not be subsequently reclassified to profit or loss				
Fair value change on remeasurement of financial assets - net of deferred tax	239,196	(70,355,355)	239,196	(50,790,480)
Share of other comprehensive income of associates	655,285	333,567	456,654	204,376
	894,481	(70,021,788)	695,850	(50,586,104)
Total comprehensive income for the period	488,034,603	427,402,013	249,799,805	249,889,645
Total comprehensive income for the period attributable to:				
Equity shareholders of the Holding Company	443,995,236	384,034,534	225,045,636	221,549,802
Non-controlling interest	44,039,367	43,367,479	24,754,169	28,339,843
	488,034,603	427,402,013	249,799,805	249,889,645

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


Shaheen Amin
 Chief Executive Officer


Khalid Aziz Mirza
 Director


Maryam Aziz
 Chief Financial Officer

Consolidated Condensed Interim Statement of Cash Flows (Un-audited)

For the Half Year ended December 31, 2020

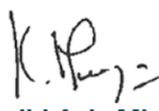
	December 31, 2020	December 31, 2019
	Note	-----Rupees-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation for the period	712,006,674	727,795,426
Adjustments for:		
Depreciation and amortisation	627,191,044	707,848,639
Amortisation of transaction cost	674,188	2,070,246
(Reversal) / charge of provision for potential lease and other loan losses - net	(45,853,227)	22,150,718
Other provision / (reversal of provision) - net	581,986	(11,950,265)
Provision for workers' welfare fund	10,654,164	1,284,696
Provision for service sales tax	915,143	902,582
Charge for defined benefit plan	8,166,172	10,444,520
Share of profit of equity accounted undertakings	(13,142,059)	(20,048,698)
Fair value changes on remeasurement of financial assets at fair value	692,882	(2,202,971)
Finance cost including bank charges	748,640,646	1,277,904,602
Dividend income	(851,362)	(988,280)
Return on investments and deposits	(66,919,797)	(68,469,326)
Gain on disposal of fixed assets	(15,682,641)	(24,334,100)
Other exchange loss -net	279,607	-
	<u>1,255,346,746</u>	<u>1,894,612,363</u>
Operating profit before working capital changes	<u>1,967,353,420</u>	<u>2,622,407,789</u>
Decrease / (Increase) in operating assets		
Investment in finance lease - net	6,602,838	1,389,854,981
Long-term finances and loans - net	(1,630,270,564)	(166,740,186)
Short-term finances	136,500,899	(12,001,264)
Long-term deposits	(580,000)	(482,500)
Advances and prepayments	(107,065,639)	18,167,544
Other receivables	46,039,685	23,512,902
	<u>(1,548,772,781)</u>	<u>1,252,311,477</u>
Increase / (decrease) in operating liabilities		
Deposits from lessees - net	40,978,087	(18,088,592)
Other long term liabilities - net	(207,058,793)	(205,074,982)
Trade and other payables	553,676,230	(88,972,389)
	<u>387,595,524</u>	<u>(312,135,963)</u>
Cash generated from operating activities	806,176,163	3,562,583,303
Payment against staff retirement benefits	-	(9,604,362)
Workers' Welfare Fund paid	-	(985,545)
Income tax paid	(294,616,301)	(101,588,780)
	<u>(294,616,301)</u>	<u>(112,178,687)</u>
Net cash generated from operating activities	<u>511,559,862</u>	<u>3,450,404,616</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred - own use and intangible assets	(10,981,584)	(32,205,008)
Capital expenditure incurred - ijarah finance	(726,146,998)	(830,759,094)
Proceeds from disposal of assets - own use	8,030,820	3,346,597
Proceeds from sale of ijarah finance assets	389,791,876	405,627,968
Investments - net	527,993,732	2,853,031
Dividend received	23,543,128	23,680,046
Interest received	56,368,357	46,619,824
Net cash generated from / used in investing activities	<u>268,599,331</u>	<u>(380,836,636)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term loans - net	928,309,261	927,714,537
Short-term borrowings - net	450,000,000	300,000,000
Certificates of deposit redeemed / issued - net	(14,295,833)	17,597,706
Repayment of long-term loans and finances	(1,937,540,512)	(1,723,302,749)
Finance cost paid	(583,727,256)	(1,000,318,892)
Payment of lease liability against right-of-use assets	(13,961,891)	(14,541,408)
Dividend paid	(319,604,909)	(731,346,940)
Net cash used in financing activities	<u>(1,490,821,140)</u>	<u>(2,224,197,746)</u>
Net (decrease) / increase in cash and cash equivalents	(710,661,947)	845,370,234
Cash and cash equivalents at beginning of the period	1,079,405,142	(466,421,613)
Cash and cash equivalents at end of the period	<u>368,743,195</u>	<u>378,948,621</u>

24

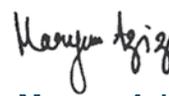
The annexed notes 1 to 27 form an integral part of these consolidated condensed interim financial statements.



Shaheen Amin
Chief Executive Officer



Khalid Aziz Mirza
Director



Maryam Aziz
Chief Financial Officer

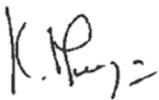
Consolidated Condensed Interim Statement of Changes in Equity

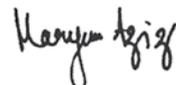
For the Half Year ended December 31, 2020

Attributable to equity shareholders of the Holding Company										Non-controlling Interest	Total
Reserves											
Issued, subscribed and paid-up capital	Capital Reserves					Revenue reserve	Total reserves				
	Share premium	Statutory reserve	Foreign currency translation reserve	Surplus / (deficit) on re-measurement of financial assets at fair value through other comprehensive income	Surplus on revaluation of leasehold land and office building	Unappropriated profit					
Rupees											
Balance as at July 1, 2019 (audited)	1,670,549,020	1,585,210,523	1,459,535,379	239,588,276	(70,182,259)	302,897,105	2,792,582,854	6,309,631,878	979,976,301	8,960,157,199	
Total comprehensive income for the half year ended December 31, 2019											
Profit for the period	-	-	-	-	-	-	495,594,312	495,594,312	43,367,479	538,961,791	
Other comprehensive income / (loss)	-	-	-	(41,537,990)	(70,355,355)	-	333,567	(111,559,778)	-	(111,559,778)	
Total comprehensive income for the period	-	-	-	(41,537,990)	(70,355,355)	-	495,927,879	384,034,534	43,367,479	427,402,013	
Transactions with owners recorded directly in equity											
Cash dividend @ Rs.3.75 per ordinary share of Rs. 10.00 each for the year ended June 30, 2019	-	-	-	-	-	-	(626,455,883)	(626,455,883)	-	(626,455,883)	
Profit distribution for the year ended June 30, 2019 @ Rs. 2.5 per certificate	-	-	-	-	-	-	-	-	(90,769,330)	(90,769,330)	
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	-	-	-	(3,414,360)	3,414,360	-	-	-	
Balance as at December 31, 2019 (unaudited)	<u>1,670,549,020</u>	<u>1,585,210,523</u>	<u>1,459,535,379</u>	<u>198,050,286</u>	<u>(140,537,614)</u>	<u>299,482,745</u>	<u>2,665,469,210</u>	<u>6,067,210,529</u>	<u>932,574,450</u>	<u>8,670,333,999</u>	
Balance as at July 1, 2020 (audited)	1,670,549,020	1,585,210,523	1,599,979,697	257,750,041	(207,976,481)	862,518,492	2,430,349,179	6,527,831,451	981,345,164	9,179,725,635	
Total comprehensive income for the half year ended December 31, 2020											
Profit for the period	-	-	-	-	-	-	480,208,733	480,208,733	44,039,367	524,248,100	
Other comprehensive income / (loss)	-	-	-	(37,107,978)	239,196	-	655,285	(36,213,497)	-	(36,213,497)	
Total comprehensive income / (loss) for the period	-	-	-	(37,107,978)	239,196	-	480,864,018	443,995,236	44,039,367	488,034,603	
Transactions with owners recorded directly in equity											
Cash dividend @ Rs.1.25 per ordinary share of Rs. 10.00 each for the year ended June 30, 2020	-	-	-	-	-	-	(208,818,628)	(208,818,628)	-	(208,818,628)	
Bonus shares issued from share premium reserve	83,527,450	(83,527,450)	-	-	-	-	-	(83,527,450)	-	-	
Profit distribution for the year ended June 30, 2020 @ Rs. 2.5 per certificate	-	-	-	-	-	-	-	-	(90,769,331)	(90,769,331)	
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	-	-	-	(4,569,906)	4,569,906	-	-	-	
Balance as at December 31, 2020 (unaudited)	<u>1,754,076,470</u>	<u>1,501,683,073</u>	<u>1,599,979,697</u>	<u>220,642,063</u>	<u>(207,737,285)</u>	<u>857,948,586</u>	<u>2,706,964,475</u>	<u>6,679,480,609</u>	<u>934,615,200</u>	<u>9,368,172,279</u>	

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


Shaheen Amin
 Chief Executive Officer


Khalid Aziz Mirza
 Director


Maryam Aziz
 Chief Financial Officer

Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements (Un-Audited)

For the Half Year ended December 31, 2020

1 LEGAL STATUS AND OPERATIONS

The "Group" consists of:

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

1.1 Holding company

ORIX Leasing Pakistan Limited ("the Holding Company / the Company") was incorporated in Pakistan as a private limited company on July 1, 1986 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and was converted into a public limited company on December 23, 1987. The Company is listed on the Pakistan Stock Exchange Limited and is licensed to carry out Investment Finance Services as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Company is situated at ORIX Building, Plot No. 16, Sector No. 24, Korangi Industrial Area, Karachi.

- 1.2 The Pakistan Credit Rating Agency Limited (PACRA) has assigned a long-term rating of AA+ (2019: AA+) and a short-term rating of A1+ (2019: A1+) to the Company on March 04, 2020 (2019: August 28, 2019).

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

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

Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements (Un-Audited)

For the Half Year ended December 31, 2020

2.4 The comparative statement of financial position presented in these consolidated condensed interim financial statements has been extracted from the annual published consolidated audited financial statements of the Holding Company for the year ended June 30, 2020, whereas the comparative profit or loss, statement of comprehensive income, statement of changes in equity and cash flows statement are stated from the consolidated unaudited condensed interim financial statements for the period ended December 31, 2019.

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

3 SIGNIFICANT POLICIES, ESTIMATES, ASSUMPTIONS AND CHANGES THEREIN

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

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

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

3.3.1 Employees compensated absences

During the current period, the Group has changed its policy for compensated absences for its eligible permanent employees. Previously, the Group operated an 'Accumulated paid absences' policy whereby the absences were of a vesting nature (employees were entitled to cash payments for unused entitlement on leaving the Company) and accordingly, recognised an obligation amounting to Rs 31.29 million as at June 30, 2020 measured on the basis of actuarial recommendations using the Projected Unit Credit Method, as per the requirements of IAS 19 which has been derecognised during the current period due to change in the HR policy.

Under the new policy which is effective from July 1, 2020, all un-availed privilege leave will lapse at year end with no accumulation or carry forward of privilege leave to the next year. Accordingly, the Group shall have no obligation at the close of the year to record any liability in respect of compensated absences at the year end.

3.4 New and amended standards and interpretations to published accounting and reporting standards that are effective in the current period

There are certain amendments to the published accounting and reporting standards that are mandatory for the Group's accounting period beginning on July 1, 2020. However, these do not have any significant impact on the Group's operations and, therefore, have not been 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 new and amended standards, interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Group's operations and are, therefore, not detailed in these consolidated 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 Company for the year ended June 30, 2020.

Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements (Un-Audited)

For the Half Year ended December 31, 2020

	(Un-audited) December 31, 2020	(Audited) June 30, 2020
	-----Rupees-----	
5 FIXED ASSETS		
Own use	1,123,604,031	1,153,155,844
Operating lease	129,321,986	134,373,122
Ijarah finance	2,760,282,913	2,972,630,340
Right-of-use assets	<u>102,607,711</u>	<u>113,839,333</u>
	<u>4,115,816,641</u>	<u>4,373,998,639</u>

5.1 The following is a statement of cost of additions and disposals to / from fixed assets for the half year ended December 31, 2020.

	Own use		Right-of-use assets		Assets under Ijarah financing	
	Additions	Disposals	Additions	Disposals	Additions	Disposals
	-----Rupees-----					
Generators / machinery	117,500	-	-	-	509,002,439	600,234,345
Right-of-use assets	-	-	2,942,198	-	-	-
Leasehold improvements	1,890,590	-	-	-	-	-
Furniture, fittings and office equipment	2,728,898	1,106,602	-	-	-	-
Computers and accessories	6,088,796	68,950	-	-	-	-
Vehicles	155,800	6,447,500	-	-	217,144,559	361,653,518
December 31, 2020	<u>10,981,584</u>	<u>7,623,052</u>	<u>2,942,198</u>	<u>-</u>	<u>726,146,998</u>	<u>961,887,863</u>
December 31, 2019	46,155,498	8,675,365	-	-	830,759,094	1,023,175,837

	(Un-audited) December 31, 2020	(Audited) June 30, 2020
	-----Rupees-----	
6 INTANGIBLE ASSETS		
Computer software and license	6,385,419	11,320,889
Goodwill	13,728,733	13,728,733
Customer relationship for Ijarah	<u>30,714,286</u>	<u>36,857,143</u>
	<u>50,828,438</u>	<u>61,906,765</u>

6.1 There were no additions and disposals during the half year ended December 31, 2020 (December 2019: Additions of Rs. 126,069).

	(Un-audited) December 31, 2020	(Audited) June 30, 2020
	-----Rupees-----	
7 NET INVESTMENT IN FINANCE LEASE		
Instalment contract receivables	17,198,721,957	17,778,931,662
Residual value	7,462,409,173	7,578,780,621
Less: adjustable security deposit	7.1 (7,436,385,570)	(7,554,263,764)
Gross investment in finance lease	7.2 17,224,745,560	17,803,448,519
Less: unearned finance income	(2,811,714,672)	(3,380,338,853)
Present value of investment in finance lease	<u>14,413,030,888</u>	<u>14,423,109,666</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 leases ranges from 9.3% to 27.5% (June 30, 2020: 11.7% to 27.5%) per annum. These are secured against leased assets and security deposits averaging 22.2% (June 30, 2020: 21.6%) of the cost of leased asset and personal guarantees.

	(Un-audited) December 31, 2020	(Audited) June 30, 2020
	-----Rupees-----	
8 LONG-TERM INVESTMENTS		
Amortised Cost		
Pakistan Investment Bonds (PIBs)	447,434,813	442,872,077
Investment in Sukuk certificates	8.1 57,701,835	57,701,835
Less: provision for potential losses on investments	(57,701,835)	(57,701,835)
	-	-
At fair value through profit or loss		
Units of collective investment scheme		
National Investment (Unit) Trust 202,000 (2020: 202,000 units)	14,024,860	11,356,440
At fair value through other comprehensive income		
Al-Hail ORIX Finance PSC	279,097,858	279,097,858
Less: fair value change on remeasurement of financial assets	(279,097,858)	(279,097,858)
	-	-
Less: current maturity	63,574,109	-
	<u>397,885,564</u>	<u>454,228,517</u>

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

Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements (Un-Audited)

For the Half Year ended December 31, 2020

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
9	CURRENT MATURITY OF NON-CURRENT ASSETS		
	Current maturity of:		
	Net investment in finance lease	7,669,246,143	7,503,453,058
	Long-term finances and loans	3,792,838,661	2,939,836,053
	Long-term investments	63,574,109	-
		<u>11,525,658,913</u>	<u>10,443,289,111</u>
10	SHORT-TERM INVESTMENTS		
	At fair value through profit or loss		
	Treasury bills	234,920,238	777,319,870
	At fair value through other comprehensive income		
	Ordinary shares - unlisted	26,259,114	26,019,918
		<u>261,179,352</u>	<u>803,339,788</u>
11	ASSETS CLASSIFIED AS HELD FOR SALE		
	Repossessed assets	4,458,181	6,321,189
	Investments in associated undertakings		
	- OPP (Private) Limited	87,754,399	87,754,399
	- SAMA Finance SAE (SAMA)	172,043,037	172,043,037
	Stock Exchange room	4,700,000	4,700,000
		<u>268,955,617</u>	<u>270,818,625</u>
11.1	The Holding Company holds 45% ownership interest in OPP (Private) Limited. Management intends to divest its investment in OPP and has filed a reference in Lahore High Court to either allow the Company to buy out the minority shareholder in OPP or to wind up OPP, which is pending to date.		
11.2	The Holding Company holds 23% ownership interest in SAMA. A sale purchase agreement was signed in October 2019 and the process of disposal of SAMA would be completed after necessary regulatory approvals.		
12	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
	(Un-audited) (Audited)	(Un-audited)	(Audited)
	December 31, June 30,	December 31,	June 30,
	2020 2020	2020	2020
	----- (Number of Shares) -----	-----Rupees-----	
	Ordinary shares of Rs. 10 each		
	Fully paid in cash	1,064,855,170	1,064,855,170
	Fully paid bonus shares	667,395,920	583,868,470
	Fully paid shares against amalgamation	21,825,380	21,825,380
		<u>1,754,076,470</u>	<u>1,670,549,020</u>
12.1	During the period, the Holding Company issued 8,352,745 bonus shares from share premium reserves.		
	Reconciliation between ordinary shares in issue at beginning and end of the period / year is as follows:		
		(Un-audited)	(Audited)
		December 31,	June 30,
		2020	2020
		----- (Number of Shares) -----	
	At beginning of the period / year	167,054,902	167,054,902
	Issue of bonus shares during the period / year	8,352,745	-
	At end of the period / year	<u>175,407,647</u>	<u>167,054,902</u>
13	LONG-TERM FINANCES - Secured		
	Long-term finances utilised under mark-up arrangements - financial institutions	8,945,524,211	9,523,403,833
	Less: Unamortised transaction cost	(289,079)	(963,267)
	Less: Current maturity	(3,797,791,038)	(4,222,033,077)
		<u>(3,798,080,117)</u>	<u>(4,222,996,344)</u>
		<u>5,147,444,094</u>	<u>5,300,407,489</u>
14	SHORT-TERM BORROWINGS- Secured		
	From Banking Companies		
	Running finance arrangements	555,349,948	171,304,003
	Short-term loans	450,000,000	-
		<u>1,005,349,948</u>	<u>171,304,003</u>
15	CURRENT MATURITY OF NON-CURRENT LIABILITIES		
	Current maturity of:		
	Long-term finances	3,797,791,038	4,222,033,077
	Lease liability against right-of-use assets	16,906,518	29,736,282
	Long-term certificates of deposit	715,869,551	730,730,413
	Long-term deposits	252,516,187	201,933,288
	Current portion of redeemable capital	3,405,655,000	3,832,405,000
		<u>8,188,738,294</u>	<u>9,016,838,060</u>

Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements (Un-Audited)

For the Half Year ended December 31, 2020

16 CONTINGENCIES AND COMMITMENTS

16.1 There was no change in the status of contingencies as disclosed in the note 33 to the annual published audited consolidated financial statements for the year ended June 30, 2020 except the following:

16.1.1 On December 8, 2020, the Company received amended assessment order under section 122(5A) of the Income Tax Ordinance 2001 (the Ordinance) for tax year 2019 where demand of Rs. 1,022 million was raised. This was mainly the result of disallowance of tax loss on lease terminations and certain other matters including super tax. The Holding Company preferred an appeal against this order before the CIR-A and same is pending for adjudication.

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

16.1.2 The Holding Company by way of the amendment notices and the Orders under section 122(5A) of the Ordinance was charged with the levy of super tax under section 4B of the Ordinance for the tax years 2015 to 2018. Similarly in the amended order dated December 8, 2020 under section 122(5A) for tax year 2019, super tax was levied.

In January 2019, the Holding Company had filed constitutional petitions before the Sindh High Court (SHC) challenging the levy of super tax, however this was dismissed on July 21, 2020, on the grounds that levy of super tax is lawful and is an additional tax, not a double tax. On September 12, 2020, the Company filed a petition in the Supreme Court of Pakistan (SCP) for respective tax years and on November 26, 2020, SCP granted stay subject to depositing of 50% of the impugned outstanding tax with the authorities.

The Officer has not yet given the effect to the orders passed by the CIR-A for the tax years 2015 to 2019 therefore the liability of super tax has not yet been determined.

On December 23, 2020, the Company, through the order passed under section 4B of the Ordinance for tax year 2018, was required to pay super tax of Rs. 61 million. This order was passed without considering that the ACIR through the amended order dated February 21, 2019 had levied super tax of Rs. 148 million, which was maintained by the CIR-A. However, CIR-A directed to remove the said amount from the recovery until the matter is disposed of by the SHC. The Holding Company filed an appeal before CIR-A on January 21, 2021 along with deposit of 50% (Rs. 25.8 million) of the due super tax with the authorities.

The Holding Company holds provisions for super tax payable in the respective tax years 2016 to 2019 aggregating to Rs. 145 million.

16.2 Leases committed but not executed at the reporting date amounted to Rs. 7.12 million (June 2020: Rs. 9.01 million).

16.3 Commitments relating to capital expenditure at the reporting date amounted to Rs. 5.6 million (June 2020: Rs. 5.6 million).

16.4 The Modaraba has issued letters of comfort to various commercial banks amounting to Rs. 15.4 million (June 2020: Rs. 107.7 million) on behalf of its customers.

17 OTHER INCOME - NET

Income from investments
Other fees and income

(Un-audited)	
Half year ended	
December 31, 2020	December 31, 2019
-----Rupees-----	
75,044,582	81,524,835
111,421,972	132,083,120
<u>186,466,554</u>	<u>213,607,955</u>

18 SHARE OF PROFIT OF ASSOCIATE UNDER EQUITY ACCOUNTING

Name of associate	(Un-audited)			
	Half year ended December 31, 2020		Half year ended December 31, 2019	
	Associates' profit after tax	Share of associates' profit after tax	Associates' profit after tax	Share of associates' profit after tax
-----Rupees-----				
Un-quoted				
Saudi ORIX Leasing Company	657,102,866	13,142,059	1,002,434,956	20,048,698

19 FINANCE COST

Interest / mark-up / profit on:

- Long-term finances
- Redeemable capital
- Musharika finance arrangements
- Short-term borrowings
- Certificates of deposit
- Lease liability against right-of-use assets

Amortisation of transaction costs

Bank charges and commission

(Un-audited)	
Half year ended	
December 31, 2020	December 31, 2019
-----Rupees-----	
321,522,040	683,053,042
112,003,486	177,459,766
37,426,710	124,989,944
22,083,455	50,834,600
235,667,013	215,544,064
6,520,049	8,804,591
674,188	2,070,246
19,815,997	17,224,671
<u>755,712,938</u>	<u>1,279,980,924</u>

20 OTHER PROVISIONS / (REVERSAL OF PROVISION) - NET

Operating lease, investments and other receivables

Provision against other receivables and investments

Reversal of provision against Ijarah receivable

-	2,666,486
-	(4,556,865)
-	(1,890,379)

Others

Provision against Workers' Welfare Fund

Provision for services sales tax on Management Company's remuneration

Impairment / (reversal of impairment) of assets classified as 'held for sale'

10,654,164	1,284,696
915,143	902,582
581,986	(10,059,886)
<u>12,151,293</u>	<u>(9,762,987)</u>

Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements (Un-Audited)

For the Half Year ended December 31, 2020

21 SEGMENT INFORMATION

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

	2020					Total
	Finance lease	Finances and loans	Operating lease	Islamic Finance	Investment in subsidiaries, associates & others	
Segment analysis for the half year ended December 31, 2020 - (Unaudited)						
Rupees						
Segment revenues	1,191,374,631	451,735,200	2,613,772	891,611,743	125,324,968	2,662,660,314
Finance cost	375,144,741	142,925,213	3,407,123	172,720,190	61,515,671	755,712,938
Administrative and general expenses	394,573,339	128,791,985	8,895,047	102,450,357	15,260,057	649,970,785
Direct cost	8,198,973	1,025,982	8,615,415	560,831,481	-	578,671,851
Provision charge	232,825,958	54,109,455	-	24,797,387	581,986	312,314,786
Reversal of provision	(322,753,982)	(31,441,788)	-	(2,475,114)	-	(356,670,884)
(Reversals) / Provisions-net	(89,928,024)	22,667,667	-	22,322,273	581,986	(44,356,098)
Segment results	503,385,602	156,324,353	(18,303,813)	33,287,442	47,967,254	722,660,838
Provision for Workers' Welfare Fund						(10,654,164)
Provision for taxation						(187,758,574)
Profit for the period						524,248,100
Other information						
Segment assets	13,575,355,985	5,990,129,234	129,321,983	6,013,038,644	1,985,948,588	27,693,794,434
Unallocated assets						2,712,145,943
Total assets						30,405,940,377
Segment liabilities	351,978,384	122,306,921	92,400	-	-	474,377,705
Unallocated liabilities						20,563,390,393
Total liabilities						21,037,768,098
Other information for the half year ended December 31, 2020 - (Unaudited)						
Capital expenditure	-	-	-	726,146,998	-	726,146,998
Depreciation	-	-	5,051,136	561,380,144	-	566,431,280
Unallocated Capital expenditure	-	-	-	-	-	10,981,584
Unallocated depreciation and amortisation	-	-	-	-	-	60,759,764
2019						
Segment analysis for the half year ended December 31, 2019 - (Unaudited)						
Rupees						
Segment revenues	1,669,996,000	483,750,439	1,570,485	1,090,312,907	139,480,732	3,385,110,563
Finance cost	672,772,004	181,338,559	5,532,054	329,881,241	90,457,066	1,279,980,924
Administrative and general expenses	471,265,235	107,058,095	8,846,369	96,575,530	16,620,679	700,365,908
Direct cost	6,827,734	396,121	5,895,171	651,461,548	-	664,580,574
Provision charge	71,115,669	30,605,989	2,950,786	9,545,157	109,802	114,327,403
Reversal of provision	(73,993,751)	(14,219,765)	(90,005)	(194,295)	(14,726,552)	(103,224,368)
(Reversals) / Provisions-net	(2,878,082)	16,386,224	2,860,781	9,350,862	(14,616,750)	11,103,035
Segment result	522,009,109	178,571,440	(21,563,890)	3,043,726	47,019,737	729,080,122
Provision for Workers' Welfare Fund						(1,284,696)
Provision for taxation						(188,833,635)
Profit for the period						538,961,791
Segment assets and Liabilities for the year ended June 30, 2020 (Audited)						
Segment assets	13,487,572,624	4,418,317,624	134,373,122	6,447,279,073	2,675,716,214	27,163,258,657
Unallocated assets						2,822,720,454
Total assets						29,985,979,111
Segment liabilities	52,771,236	9,539,048	7,190,967	134,490	-	69,635,741
Unallocated liabilities						20,736,617,735
Total liabilities						20,806,253,476
Other information for the half year ended December 31, 2019 (Unaudited)						
Capital expenditure	-	-	-	830,759,094	-	830,759,094
Depreciation	-	-	5,051,136	651,424,396	-	656,475,532
Unallocated Capital expenditure	-	-	-	-	-	32,205,008
Unallocated depreciation and amortisation	-	-	-	-	-	51,373,107

Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements (Un-Audited)

For the Half Year ended December 31, 2020

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, 2020	December 31, 2019
	-----Rupees-----	
ORIX Corporation, Japan - Parent Company - 49.58% Holding		
Dividend paid - net of tax	95,760,091	287,280,276
4,141,291 bonus shares issued (2019: Nil)	-	-
Saudi ORIX Leasing Company - Associate / Common directorship - 2.5% ownership		
Reimbursement of cost	13,163,768	4,758,990
ORIX Leasing Pakistan Limited-Employees Provident Fund (OLP - EPF)		
Contribution paid	14,672,639	15,663,670
ORIX Modaraba-Employees Provident Fund		
Contribution paid	2,567,865	2,309,700
ORIX Leasing Pakistan Limited-Staff Gratuity Fund (OLP - SGF)		
Contribution paid	-	9,604,362
ORIX Modaraba-Staff Gratuity Fund		
Contribution paid	2,139,008	1,923,967
Reimbursement from Staff Gratuity Fund	-	93,480
Charity / Donation paid - Common Directorship		
The Layton Rahmatullah Benevolent Trust - Charity	500,000	-
The Layton Rahmatullah Benevolent Trust - Donation	1,000,000	500,000
The Indus Hospital	-	500,000
Other related party transactions		
Compensation of Directors and Key Management Personnel		
Directors' fees paid	7,850,000	2,250,000
Short-term employee benefits	120,437,236	138,057,500
Retirement benefits	4,386,873	7,611,759
Total compensation to directors and key management personnel	132,674,109	147,919,259
Amount of profit paid on certificates of deposit	95,883	94,377
Amount of profit paid on certificates of Musharika	504,551	1,097,233
Income earned on Musharika finances	2,847,039	3,639,727
Loans disbursed during the period	5,039,300	23,480,348
Interest recovered during the period	1,043,885	981,958
Principal recovered during the period	4,705,036	6,208,319
Profit on Redeemable Capital	239,846	260,434
Dividend paid to key management personnel - net of tax	165,828	499,863
7,856 bonus shares issued to key management personnel (2019: Nil)	-	-
Dividend paid to the Chief Executive Officer of the Holding Company	463,137	761,912
10,030 bonus shares issued to the Chief Executive Officer of the Holding Company (2019: Nil)	-	-
	(Un-audited) December 31, 2020	(Audited) June 30, 2020
	-----Rupees-----	
22.2 Balances with related parties as at period / year end		
Investment in associate - Saudi ORIX Leasing Company - 2.5% (June 30, 2020: 2.5%) ownership	910,462,854	944,087,843
Long term investment - Al Hail ORIX Finance PSC (net of provision)	-	-
Assets classified as held for sale		
- OPP (Private) Limited - 45% (June 30, 2020: 45%) ownership	87,754,399	87,754,399
- SAMA Finance SAE - 23% (June 30, 2020: 23%) ownership	172,043,037	172,043,037
Certificates of deposit held	2,100,000	2,100,000
Accrued profit on certificates of deposit / Diminishing Musharika / Redeemable capital	321,111	516,754
Outstanding loans to Key Management Personnel	58,604,906	73,572,531
Provision for Performance Bonus to Chief Executive Officer of the Management Company	3,000,000	6,000,000
Receivable from Saudi ORIX Leasing Company - Associate	4,855,125	9,697,526
Receivable / (Payable) from ORIX Corporation, Japan - Parent Company	757,140	757,140
Outstanding redeemable capital to Key Management Personnel	8,050,000	4,550,000
Advance to the Chief Executive Officer of the Management Company	600,000	1,320,000

Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements (Un-Audited)

For the Half Year ended December 31, 2020

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:

	December 31, 2020 (Un-audited)			
	Level 1	Level 2	Level 3	Total
Fair value (Rupees)				
RECURRING FAIR VALUE MEASUREMENTS				
Financial assets				
Financial assets at fair value through other comprehensive income				
Ordinary shares-unlisted	-	26,259,114	-	26,259,114
Financial assets at fair value through profit or loss				
Treasury bills	-	234,920,238	-	234,920,238
Units of collective investment scheme	14,024,860	-	-	14,024,860
Non-financial assets				
Fixed assets (Leasehold land & building)	-	-	953,151,691	953,151,691
Total	14,024,860	261,179,352	953,151,691	1,228,355,903

	June 30, 2020 (Audited)			
	Level 1	Level 2	Level 3	Total
Fair value (Rupees)				
RECURRING FAIR VALUE MEASUREMENTS				
Financial assets				
Financial assets at fair value through other comprehensive income				
Ordinary shares-unlisted	-	26,019,918	-	26,019,918
Financial assets at fair value through profit or loss				
Treasury bills	-	777,319,870	-	777,319,870
Units of collective investment scheme	11,356,440	-	-	11,356,440
Non-financial assets				
Fixed assets (Leasehold land & building)	-	-	965,428,358	965,428,358
Total	11,356,440	803,339,788	965,428,358	1,780,124,586

Geographical Presence

Head Office / Registered Office

ORIX 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@orixpakistan.com
Website: www.orixpakistan.com

COD Office, Karachi

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

KBW - Karachi

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

Hyderabad

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

Sukkur

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

Multan

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

Rahim Yar Khan

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

Bahawalpur

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

Vehari

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

Lahore

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

Thokar Niaz Baig

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

Faisalabad

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

Sargodha

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

Sahiwal

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

Jhang

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

Sialkot

1st Floor, 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,
Nizamuddin 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
Talangang 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

Kot Abdul Malik

11 K.M Lahore, Near Askari Bank,
Kot Abdul Malik, Distt. Sheikhpura
Tel: 042-37340711

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 Sheikhpura
Tel: 056-2590021

Morre Khunda

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

Pattoki

Faisal Colony Road, Near Raffay Sajid Hospital.
Tel: 049-4422064

Chunian

Purana Kharkhana, Allahbad Road, Near Dare
Akram School, Chunian. District Kasur.
Tel: 049-4310054

Renala Khurd

Near Dogar Petrol Pump Raay Town,
Renala Khurd, Distt. Okara
Tel: 044-2635185

Manga Mandi

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

Bhalwal

First Floor, Rehmat Plaza, Mandir Road,
Block No. 3, Bhalwal. District Sargodha
Tel: 048-6644448

Sahiwal

Main Circular Road, Opposite Kashmiri
Gate Tehsil Sahiwal District, Sargodha
Tel: 048-6785505

Sillanwali

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

Shahpur

Khushab Road Shahpur Saddar
Near Bismallah Hotel, District Sargodha
Tel: 048-6310424

AA+
Long Term

A1+
Short Term



PACRA - March 04, 2020

Answers, Custom Fit.

ORIX Leasing Pakistan Limited

UAN: 111 24 24 24

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

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