

NINE MONTHS REPORT MARCH 2023



CONTENTS

Modaraba Information	02
Directors' Review	03
Condensed Interim Balance Sheet	07
Condensed Interim Profit and Loss Account and Other Comprehensive Income (Un-audited)	08
Condensed Interim Cash Flow Statement (Un-audited)	09
Condensed Interim Statement of Changes in Equity	10
Notes to and Forming Part of the Condensed Interim Financial Statements (Un-audited)	11

Modaraba Information

Modaraba Company

OLP Services Pakistan (Private) Limited
(Formerly ORIX Services Pakistan (Private) Limited)

Directors of Modaraba Company

Mr. Shaheen Amin	Chairman
Mr. Raheel Qamar Ahmad	Managing Director / Chief Executive Officer
Mr. Ramon Alfrey	Director
Mr. Nausherwan Adil	Independent Director
Mian Faysal Riaz	Director
Mr. Nadim D. Khan	Independent Director
Ms. Aseya Qasim	Director

Company Secretary

Mr. Muhammad Siddique

Audit Committee

Mr. Nausherwan Adil	Chairman
Mr. Ramon Alfrey	Member
Mian Faysal Riaz	Member

Human Resource and Remuneration (HR&R) Committee

Mr. Nadim D. Khan	Chairman
Mr. Shaheen Amin	Member
Mr. Raheel Qamar Ahmad	Member

Risk Committee

Mian Faysal Riaz	Chairman
Mr. Nausherwan Adil	Member
Mr. Raheel Qamar Ahmad	Member

Shariah Advisor

Mufti Faisal Ahmed

Auditors

A.F.Ferguson & Co. Chartered Accountants

Bankers/ Financial Institutions

Standard Chartered Bank (Pakistan) Limited (Saadiq)
Meezan Bank Limited
United Bank Limited (UBL Ameen)
Bank Alfalah Limited (Islamic banking)
Allied Bank Limited (Islamic banking)
Bank AL Habib Limited (Islamic banking)
Habib Bank Limited (Islamic banking)
Pakistan Mortgage Refinance Company Limited

Legal Advisor

Haider Ali Khan
Advocate High Court , Partner, Fazle Ghani Advocates

Modaraba Company Registered Office

OLP Building, Plot no. 16, Sector No. 24,
Korangi Industrial Area, Karachi.

Modaraba Head office

Office No. 601, 6th Floor,
Syedna Tahir Saifuddin Memorial Foundation Building,
Beaumont Road, Civil Lines, Karachi.
Phone: (021)35930000
Email:askus@olpmodaraba.com

Lahore Branch:

Office No. 08, 1st Floor,
Park Lane Tower (Mall of Lahore)
172-Tufail Road, Lahore Cantt.

Islamabad Branch:

Ground Floor, Phase 1, State Life Building No. 5,
Nazimuddin Road, Blue Area, Islamabad.

Registrars & Share Registration Office:

Famco Associates (Private) Limited
8-F, Next to Hotel Faran, Nursery,
Block 6, P.E.C.H.S., Shakra-e-Faisal, Karachi.
Tel: (92-21) 34380101-5
Fax: (92-21) 34380106
Email: info.shares@famco.com.pk

Directors' Review

For the period ended March 31, 2023

The Board of Directors of OLP Services Pakistan (Private) Limited [formerly ORIX Services Pakistan (Private) Limited], the management company of OLP Modaraba (formerly ORIX Modaraba) is pleased to present the unaudited accounts of OLP Modaraba for the nine months period ended March 31, 2023.

1. Economic Outlook

Pakistan's economic growth is expected to slow significantly in FY2023 (ends 30 June 2023) in the wake of last year's devastating floods, ballooning inflation, a current account deficit, and an ongoing foreign exchange crisis.

The Country's gross domestic product (GDP) growth is projected to slow to 0.6% in FY2023 from 6% last fiscal year as the economy struggles to recover. Growth is forecast to rise to 2% in FY2024, assuming the resumption of macroeconomic stability, implementation of reforms, post-flood recovery, and improving external conditions.

In FY2023, industrial growth is forecast to continue decelerating, which reflects fiscal and monetary tightening, a significant depreciation of the local currency, and higher domestic oil and electricity prices.

Average inflation is projected to more than double from 12.2% in FY2022 to 27.5% this fiscal year. Headline consumer inflation jumped to 25.4% in the first 7 months of the fiscal year on higher domestic energy prices, a weaker currency, flood-related disruptions to supply, and restraint on imports caused by the balance of payment crisis. As a net importer of oil and gas, Pakistan will continue experiencing strong inflationary pressures for the rest of FY2023.

2. Financial Highlights

Financial results are summarized as under:

	March 31, 2023	June 30, 2022
Balance Sheet		
----- (Rupees '000) -----		
Certificate capital	453,835	453,835
Total equity	1,129,595	1,138,605
Total assets	6,805,313	6,707,110
Investment in Ijarah finance and Ijarah Assets	1,654,908	1,811,424
Investments in Diminishing Musharika	4,243,280	3,762,885
Short term Investments and Sukuks	316,157	-
Redeemable capital	2,972,705	3,013,905
	Nine months ended March 31, 2023	Nine months ended March 31, 2022
----- (Rupees '000) -----		
Profit and Loss		
Revenue (net of Ijarah assets depreciation)	880,793	533,862
Financial and other charges	587,492	287,214
Provision / (reversal) of provisions – net	(8,724)	(15,004)
Operating expenses	173,867	142,003
Profit before modaraba management company's remuneration	128,158	119,648
Profit before taxation	111,403	104,006
Net profit	81,757	73,844

3. Review of Operations

By the Grace of Allah, your Modaraba's performance during the period under review continued to be strong. The Modaraba's gross revenue (net of Ijarah assets depreciation and including other income) increased by 64.99% from PKR 533.862 million to PKR 880.793 million compared to the corresponding period of last year. The main reason behind this was the increase in discount rate since April 2022. Our challenge during this period remained the rapid and large movement of the SBP's discount rate which prompted immediate increase in deposit rates and financial charges but which translated into asset repricing with a lag. Financial and other charges increased from PKR 287.214 million to PKR 587.492 million. Due to strong recovery efforts, provisions that were reversed amounted to PKR 8.724 million as compared to PKR 15.004 million reversal during corresponding period last year. Administrative and operating expenses increased by 22.44% from PKR 142.003 million to PKR 173.867 million mainly due to high inflation rate during the period. Profit before taxation increased by 7.11% from PKR 104.006 million to PKR 111.403 million. Whereas net profit for the period increased by 10.72% from PKR 73.844 million to PKR 81.757 million compared to corresponding period last year.

The portfolio of Ijarah finance, Sukuk investment and Diminishing Musharika finances and short term investments stood at PKR 6,214 million compared to PKR 5,574 million as at June 30, 2022, showing an increase of 11.48% during the nine months period. However, total assets increased by 1.46% to PKR 6,805 million compared to PKR 6,707 million as at June 30, 2022. During the period under review, the Modaraba booked fresh disbursements to the tune of PKR 1,736.57 million as compared to PKR 1,748.42 million during the corresponding period last year.

The business has been driven mainly by deepening relationships with selective clientele and initiating relationships with good names. The asset portfolio has a good mix of multi-nationals, large and medium sized local corporates, selective SME relationships and an excellent housing and consumer portfolio.

OLP Modaraba manages and monitors risk exposure very prudently. The evaluation of borrower's credit profile including repayment ability is made at the time of grant of facility and regular oversight is carried through monitoring and stress testing of portfolio. Further, there are Portfolio Management and Early Alert committees which are responsible to ensure portfolio monitoring and timely alerts for possible untoward scenarios.

4. Credit Rating

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the ratings of your Modaraba as AA (Double A) and A1+ (A one plus) for long-term and short-term respectively. These ratings indicate low expectation of credit risk and very strong capacity for timely payment of financial commitments.

5. Acknowledgement

The Board appreciates the support of regulatory authorities, certificate-holders, customers and business partners and looks forward to their support in future.

Karachi: April 20, 2023

Raheel Qamar Ahmad
Managing Director/ CEO

Ramon Alfrey
Director

31 مارچ 2023ء کی اختتامی مدت کیلئے ڈائریکٹرز کا جائزہ:

OLP سرومز پاکستان (پرائیویٹ) لمیٹڈ (سابقہ ORIX سرومز پاکستان (پرائیویٹ) لمیٹڈ) کے بورڈ آف ڈائریکٹرز جو کہ OLP مضاربہ (سابقہ ORIX مضاربہ) کی انتظامی کھینچ ہے، 31 مارچ 2023ء کو اختتام پزیر ہونے والی نوامی مدت کیلئے OLP مضاربہ کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

معاشی صورتحال:

گزشتہ سال سیلاب کی تباہ کاریوں، بڑھتی ہوئی مہنگائی، کرنٹ اکاؤنٹ خسارہ، اور غیر ملکی زرمبادلہ کے جاری بحران کے تناظر میں مالی سال 2023 (جو کہ 30 جون 2023 کو اختتام پزیر ہو رہا ہے) میں پاکستان کی اقتصادی ترقی میں نمایاں کمی متوقع ہے۔

مالی سال 2023 میں ملک کی مجموعی ملکی پیداوار (جی ڈی پی) کی شرح نمو گزشتہ مالی سال کے 6 فیصد سے 0.6 فیصد رہنے کا امکان ہے جیسا کہ معیشت کی بحالی کی جدوجہد جاری ہے۔ معاشی استحکام کی بحالی، اصلاحات کے نفاذ، سیلاب کے بعد کی بحالی، اور بیرونی حالات میں بہتری کو مد نظر رکھتے ہوئے مالی سال 2024 میں شرح نمو 2 فیصد تک بڑھنے کی توقع ہے۔

مالی سال 2023 میں، صنعتی ترقی میں کمی جاری رہنے کی توقع ہے، جو مالیاتی ترقی کی بلکی کرنسی میں نمایاں گراؤ، اور ملکی تیل اور ملکی کی زائد قیمتوں کی وجہ سے ہے۔

مالی سال 2022ء میں مہنگائی کی اوسط سطح 12.2 فیصد سے اس مالی سال میں 27.5 فیصد تک یعنی گئی سے زیادہ ہوئے کا امکان ہے۔ ملکی توانائی کی بلند قیمتوں، کمزور کرنسی، سپلائی میں سیلاب کی وجہ سے زکاتوں اور درآمدی اشیاء کے تازان کے بحران کے باعث درآمدات پر کمیشن لگانے کے باعث مالی سال کے پہلے 7 مہینوں میں صارف کا افراط زر 25.4 فیصد تک پہنچ گیا۔ تیل اور گیس کے خاص در آمد کنندہ کے طور پر، پاکستان مالی سال 2023 کے بقیہ حصے میں سخت افراط زر کے باوجود کامنا کرتا رہے گا۔

مالیاتی نتائج:

مالیاتی نتائج کا خلاصہ درج ذیل ہے:

30 جون 2022 (روپے '000)	31 مارچ 2023 (روپے '000)	بیلس شیٹ
453,835	453,835	سرٹیفکیٹ کھپاؤ
1,138,605	1,129,595	مجموعی ایکٹیو
6,707,110	6,805,313	مجموعی اثاثہ جات
1,811,424	1,654,908	اجارہ ٹائٹس اور اجارہ اثاثہ جات میں سرمایہ کاری
3,762,885	4,243,280	ڈیپزیٹنگ مشارکہ اور رسکوک میں سرمایہ کاری
-	316,157	متنوع مدتی سرمایہ کاری اور رسکوک
3,013,905	2,972,705	ریٹرنم اینڈ کھپاؤ

31 مارچ 2022 کو
اختتام پذیر ہونے
والی نو ماہی مدت
(روپے '000)

533,862
287,214
(15,004)
142,003
119,648
104,006
73,844

31 مارچ 2023 کو
اختتام پذیر ہونے
والی نو ماہی مدت
(روپے '000)

880,793
587,492
(8,724)
173,867
128,158
111,403
81,757

منافع اور خسارہ

آمدنی (اجارہ اثاثہ جات کی قدر میں کمی)
مالیاتی و دیگر چارجز
پرودیوزن/پرودیوزن کا ریورسل۔ خالص
عملی اخراجات
انتظامی فیس سے قبل از منافع
قبل از ٹیکس منافع
خالص منافع

3. آپریٹنگ کا جائزہ:

اللہ کے فضل و کرم سے زیر جائزہ مدت کے دوران آپ کے مضاربہ کی کارکردگی مسلسل بہتر رہی۔ مضاربہ کی مجموعی آمدنی (اجارہ اثاثوں کی قدر میں کمی اور دیگر آمدنی) میں گزشتہ سال کی اسی مدت کے مقابلے میں 64.99 فیصد اضافہ کے ساتھ مبلغ 533,862 ملین روپے سے بڑھ کر مبلغ 880,793 ملین روپے ہو گئی۔ اس کی بنیادی وجہ اپریل 2022 سے ڈسکانٹ ریٹ میں اضافہ تھا۔ دوران عرصہ ہمارا نتیجہ اسٹیٹ بینک آف پاکستان کے ڈسکانٹ ریٹ کی تیز رفتار اور بڑی تبدیلی تھی جس نے ڈیزائٹ کی شرحوں اور مالیاتی چارجز میں فوری اضافہ کو فروغ دیا لیکن یہ اضافہ جات کی قیمت میں ایک وقفے کے بعد متھیل ہو گیا۔ مالیاتی چارجز 287,214 ملین روپے سے بڑھ کر 587,492 ملین روپے ہو گئے۔ ریکوری کی مضبوطی کو نشوں کے باعث، گزشتہ سال کے دوران 15,004 ملین روپے کے ریورسلز کے مقابلے میں 8,724 ملین روپے کے پرودیوزن کو ریورس کیا گیا ہے۔ انتظامی اور آپریٹنگ اخراجات 142,003 ملین روپے سے بڑھ کر 173,867 ملین روپے ہو گئے جو کہ 22.44 فیصد اضافہ ہے جس کی بنیادی وجہ دوران مدت افزائری بلڈنٹرن ہے۔ قبل از ٹیکس منافع مبلغ 104,006 ملین روپے سے بڑھ کر مبلغ 111,403 ملین روپے ہو گیا جو کہ 7.11 فیصد اضافہ ہے۔ جبکہ نو ماہی کے لیے خالص منافع گزشتہ سال کی اسی مدت کے مقابلے میں 73,844 ملین روپے سے بڑھ کر مبلغ 81,757 ملین روپے ہو گیا جو کہ 10.72 فیصد اضافہ ہے۔

30 جون 2022 تک اجارہ فنانس، سلوک انویسٹمنٹ اور ڈیٹنگ مشاشر کا پورٹ فولیو 5,574 ملین روپے کے مقابلے میں 6,214 ملین روپے رہا، جو کہ نو ماہی مدت کے دوران 11.48 فیصد کا اضافہ ظاہر کرتا ہے۔ تاہم 30 جون 2022 تک مجموعی اثاثہ جات بھی 6,707 ملین روپے کے مقابلے میں 1.46 فیصد اضافہ کے ساتھ 6,805 ملین روپے ہو گئے۔ زیر جائزہ مدت کے دوران، مضاربہ نے 1,736.57 ملین روپے کی تازہ ادائیگیوں کی بنیاد پر گزشتہ سال کی اسی مدت کے دوران 1,748.42 ملین روپے تھی۔

کاروبار بنیادی طور پر منتخب کلائنٹس کے ساتھ تعلقات کو منظم طور پر استوار کرنے اور اچھے ناموں کے ساتھ تعلقات کی شروعات کرنے میں جلا یا گیا ہے۔ اثاثہ جات کے پورٹ فولیو میں ملٹی سیکٹرز، بڑے اور متوسط درجہ کے مقامی کارپوریٹ اور منتخب SME تعلقات کا ایک اچھا استخراج ہے۔

OLP مضاربہ بنیادی طور پر خطرات کا انتظام اور گمرانی کرتا ہے۔ کسٹمر کے کریڈٹ پر وفاقیل کا جائزہ بشمول ادائیگی کی اہلیت، سہولت فراہم کرنے کے وقت اور بعد میں باقاعدہ سے گمرانی کی جاتی ہے۔ اس کے علاوہ، پورٹ فولیو میں منتخب ادارہ کی اہلیت کی بنیاد پر جو ممکنہ ناخوشگوار حالات کے لیے پورٹ فولیو کی گمرانی اور بروقت الٹ کو یقینی بنانے کی ذمہ داری ہے۔

کریڈٹ ریٹنگ:

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے آپ کے مضاربہ کی طویل مدتی اور مختصر مدتی درجہ بندی کو با ترتیب AA (ڈبل اے) اور A+ (اے و ان پلس) کے طور پر برقرار رکھا ہے۔ یہ ریٹنگ کریڈٹ رسک کی کم توقع اور مالی وعدوں کی بروقت ادائیگی کے لیے غیر معمولی مضبوط صلاحیت کی نشاندہی کرتی ہے۔

اظہار تشکر:

یورڈر ریگولیٹری اتھارٹیز، سرٹیفکیٹ ہولڈرز، مصارفین اور کاروباری شراکت داروں کے تعاون کا شکریہ ادا کرنا چاہتا ہے اور مستقبل میں ان کے تعاون کا منتظر ہے۔

رائل قراچہ
ٹیٹیک ڈائریکٹری اسی او

رامن الفرس
ڈائریکٹر

کراچی: 20 اپریل 2023

CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2023

	Note	March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
(Rupees)			
ASSETS			
Current assets			
Cash and bank balances	5	244,339,343	514,148,625
Ijarah rentals receivable	6	122,051,621	124,755,394
Advances, deposits, prepayments and other receivables		130,118,915	411,973,563
Short-term investments	7	316,156,674	-
Current portion of Diminishing Musharaka	8.4	1,306,391,236	1,299,571,276
Net investment in Ijarah finance	9	-	370,000
Total current assets		2,119,057,789	2,350,818,858
Non-current assets			
Long-term term investments	7.3	-	-
Long-term portion of Diminishing Musharaka	8.4	2,936,888,523	2,463,313,926
Ijarah assets	9	1,654,908,347	1,811,054,254
Tangible assets	10	19,292,993	18,188,866
Intangible assets	11	2,461,818	833,934
Deferred tax assets	12	72,703,294	62,900,127
Total non-current assets		4,686,254,975	4,356,291,107
TOTAL ASSETS		6,805,312,764	6,707,109,965
LIABILITIES AND EQUITY			
Current liabilities			
Current portion of term finance arrangements	13	1,088,951,352	437,094,289
Current portion of security deposits		230,693,567	160,130,604
Creditors, accrued and other liabilities		332,559,019	371,190,724
Advance Ijarah rentals received		3,602,508	3,429,809
Current portion of redeemable capital		2,791,705,000	2,598,205,000
Unclaimed profit distribution		60,845,345	58,779,665
Provision for taxation - net		69,790,430	60,840,457
Total current liabilities		4,578,147,221	3,689,670,548
Non-current liabilities			
Long-term portion of term finance arrangements	13	628,096,381	1,150,009,856
Long-term portion of security deposits		288,474,036	313,124,339
Long-term portion of redeemable capital		181,000,000	415,700,000
Total non-current liabilities		1,097,570,417	1,878,834,195
TOTAL LIABILITIES		5,675,717,638	5,568,504,743
CERTIFICATE HOLDERS' EQUITY			
Certificate capital			
Authorised certificate capital			
50,000,000 (June 30, 2022: 50,000,000) certificates of Rs. 10 each amounting to Rs. 500,000,000 (June 30, 2022: Rs. 500,000,000)			
Issued, subscribed and paid-up certificate capital			
28,500,000 (June 30, 2022: 28,500,000) certificates of Rs. 10 each fully paid in cash			
16,883,530 (June 30, 2022: 16,883,530) bonus certificates of Rs. 10 each			
		285,000,000	285,000,000
		168,835,300	168,835,300
		453,835,300	453,835,300
		576,536,664	572,448,816
		99,223,162	112,321,106
		1,129,595,126	1,138,605,222
TOTAL LIABILITIES AND EQUITY		6,805,312,764	6,707,109,965
CONTINGENCIES AND COMMITMENTS			
	14		

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

For OLP Services Pakistan (Private) Limited (Formerly ORIX Services Pakistan (Private) Limited)
(Management Company of OLP Modaraba) (Formerly ORIX Modaraba)

Chief Executive Officer

Director

Director

Chief Financial Officer

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2023

Note	Nine months period ended March 31, 2023	Nine months period ended March 31, 2022	Three months period ended March 31, 2023	Three months period ended March 31, 2022
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Ijarah rentals earned	721,896,496	797,742,659	246,906,122	250,458,392
Income on Diminishing Musharaka arrangements	571,502,299	297,694,377	213,409,111	107,855,020
Dividend income	19,007,852	-	12,477,282	-
Profit on bank balances	45,001,548	24,493,905	2,373,156	7,333,079
	1,357,408,195	1,119,930,941	475,165,671	365,646,491
Financial and other charges	15 (587,492,050)	(287,214,301)	(210,469,513)	(102,221,969)
Depreciation on Ijarah assets	(505,093,371)	(608,899,867)	(170,356,882)	(196,289,490)
	264,822,774	223,816,773	94,339,276	67,135,032
(Provision) / reversal of provision against Ijarah rentals receivable - net	(3,570,756)	1,027,784	(929,366)	95,757
Reversal of provision against Diminishing Musharaka - net	9,128,657	15,325,595	(6,042,182)	7,720,568
Reversal of provision / (provision) against other receivables - net	3,166,028	(1,348,918)	-	-
	273,546,703	238,821,234	87,367,728	74,951,357
Other income	28,478,409	22,830,478	7,694,388	6,154,109
Administrative and operating expenses	(173,867,107)	(142,003,275)	(59,982,329)	(48,319,786)
	128,158,005	119,648,437	35,079,787	32,785,680
Management Company's remuneration	16 (12,815,801)	(11,964,844)	(3,507,979)	(3,278,568)
Provision for services sales tax on the Management Company's remuneration	17 (1,666,054)	(1,555,430)	(456,037)	(426,214)
Provision for Sindh Workers' Welfare Fund	18 (2,273,523)	(2,122,563)	(622,315)	(581,618)
Profit for the period before taxation	111,402,627	104,005,600	30,493,456	28,499,280
Taxation	19 (29,645,663)	(30,161,624)	(6,824,112)	(8,264,791)
Profit for the period after taxation	81,756,964	73,843,976	23,669,344	20,234,489
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	81,756,964	73,843,976	23,669,344	20,234,489
Earnings per certificate - basic and diluted	1.80	1.63	0.52	0.45

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

For OLP Services Pakistan (Private) Limited (Formerly ORIX Services Pakistan (Private) Limited)
(Management Company of OLP Modaraba) (Formerly ORIX Modaraba)

Chief Executive Officer

Director

Director

Chief Financial Officer

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

Note	Nine months period ended March 31, 2023	Nine months period ended March 31, 2022
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	111,402,627	104,005,600
Adjustments for non-cash and other items:		
Depreciation on tangible assets	7,042,220	2,644,597
Amortisation on intangible assets	391,429	-
Gain on disposal of tangible assets	(3,394,962)	(13,150)
Depreciation on Ijarah assets	505,093,371	608,899,868
Gain on disposal of Ijarah assets	(3,466,263)	(8,330,691)
Provision / (reversal) of provision against Ijarah rentals receivable - net	3,570,756	(1,027,784)
Reversal of provision against Diminishing Musharaka - net	(9,128,657)	(15,325,595)
(Reversal) of provision / provision against other receivables - net	(3,166,028)	1,348,918
Profit on bank balances	(45,001,548)	(24,493,905)
Financial charges on:		
- Redeemable capital	308,980,091	167,683,090
- Term finance arrangements	232,883,005	79,194,417
Provision for services sales tax on the Management Company's remuneration	1,666,054	2,122,563
Provision for Sindh Workers' Welfare Fund	2,273,523	1,555,430
	997,742,991	814,257,758
	1,109,145,618	918,263,358
(Increase) / decrease in assets		
Advances, deposits, prepayments and other receivables	281,220,582	(55,471,343)
Ijarah rentals receivable	(866,983)	4,214,439
Diminishing Musharaka	(471,265,900)	(20,556,619)
Short-term investments	(316,156,674)	-
	(507,068,975)	(71,813,523)
Increase / (decrease) in liabilities		
Creditors, accrued and other liabilities	(34,096,921)	58,206,517
Advance Ijarah rentals received	172,699	4,863,226
Security deposits	46,282,660	4,092,391
	12,358,438	67,162,134
	614,435,081	913,611,969
Financial charges paid on:		
- Redeemable capital	(340,471,732)	(136,040,736)
- Term finance arrangements	(209,865,726)	(77,482,875)
	(550,337,458)	(213,523,611)
Taxes paid	(30,498,857)	(17,698,525)
Net cash generated from operating activities	33,598,766	682,389,833
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure of fixed assets in own use	(10,338,298)	(17,726,894)
Capital expenditure of Ijarah assets	(415,045,483)	(579,412,570)
Proceeds from disposal of fixed assets in own use	3,567,600	13,150
Proceeds from disposal of Ijarah assets	69,564,283	136,207,991
Profit received on bank deposits	48,801,642	18,369,093
Net used in investing activities	(303,450,256)	(442,549,230)
CASH FLOWS FROM FINANCING ACTIVITIES		
Redeemable capital less repayments	(41,200,000)	(318,900,000)
Term finance less repayments	129,943,588	(183,063,151)
Profit distribution to the certificate holders	(88,701,380)	(128,222,975)
Net cash generated from / (used in) financing activities	42,208	(630,186,126)
Net decrease in cash and cash equivalents during the period	(269,809,282)	(390,345,523)
Cash and cash equivalents at the beginning of the period	514,148,625	769,029,312
Cash and cash equivalents at the end of the period	244,339,343	378,683,789

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

For OLP Services Pakistan (Private) Limited (Formerly ORIX Services Pakistan (Private) Limited)
(Management Company of OLP Modaraba) (Formerly ORIX Modaraba)

Chief Executive Officer

Director

Director

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Issued, subscribed and paid-up certificate capital	Capital reserve			Revenue reserve	Sub-total	Total
		Premium on issue of modaraba certificates	Statutory reserve	Sub-total	Unappropriated profit		
(Rupees)							
Balance as on June 30, 2021 (audited)	453,835,300	55,384,700	511,486,848	566,871,548	137,965,253	704,836,801	1,158,672,101
Total comprehensive income for the period							
- Profit for the nine months period ended March 31, 2022	-	-	-	-	73,843,976	73,843,976	73,843,976
- Other comprehensive income for the nine months period ended March 31, 2022	-	-	-	-	-	-	-
	-	-	-	-	73,843,976	73,843,976	73,843,976
Transactions with owners							
Profit distribution for the year ended June 30, 2021 @ Rs.2.9 per certificate declared subsequent to the year ended June 30, 2021	-	-	-	-	(131,612,237)	(131,612,237)	(131,612,237)
Transfer to statutory reserve	-	-	3,692,199	3,692,199	(3,692,199)	-	-
Balance as at March 31, 2022 (un-audited)	<u>453,835,300</u>	<u>55,384,700</u>	<u>515,179,047</u>	<u>570,563,747</u>	<u>76,504,793</u>	<u>647,068,540</u>	<u>1,100,903,840</u>
Balance as on June 30, 2022 (audited)	453,835,300	55,384,700	517,064,116	572,448,816	112,321,106	684,769,922	1,138,605,222
Total comprehensive income for the period							
- Profit for the nine months period ended March 31, 2023	-	-	-	-	81,756,964	81,756,964	81,756,964
- Other comprehensive income for the nine months period ended March 31, 2023	-	-	-	-	-	-	-
	-	-	-	-	81,756,964	81,756,964	81,756,964
Transactions with owners							
Profit distribution for the year ended June 30, 2022 @ Rs. 2 per certificate declared subsequent to the year ended June 30, 2022	-	-	-	-	(90,767,060)	(90,767,060)	(90,767,060)
Transfer to statutory reserve	-	-	4,087,848	4,087,848	(4,087,848)	-	-
Balance as at March 31, 2023 (un-audited)	<u>453,835,300</u>	<u>55,384,700</u>	<u>521,151,964</u>	<u>576,536,664</u>	<u>99,223,162</u>	<u>675,759,826</u>	<u>1,129,595,126</u>

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

For OLP Services Pakistan (Private) Limited (Formerly ORIX Services Pakistan (Private) Limited)
(Management Company of OLP Modaraba) (Formerly ORIX Modaraba)

Chief Executive Officer

Director

Director

Chief Financial Officer

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

1 STATUS AND NATURE OF BUSINESS

OLP Modaraba ('the Modaraba', formerly ORIX Modaraba) was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder and is managed by OLP Services Pakistan (Private) Limited ('the Management Company') (formerly ORIX Services Pakistan (Private) Limited). The Management Company is a wholly owned subsidiary of OLP Financial Services Pakistan Limited (formerly ORIX Leasing Pakistan Limited).

The registered office of Modaraba Company is OLP Building, Plot no. 16, sector No. 24, Korangi Industrial Area Karachi Pakistan.

The Modaraba is operated through a head office in Karachi and two branches which are located in Lahore and Islamabad. The head office of Modaraba is situated at 6th Floor, Syedna Tahir Saifuddin Trust Building, Beaumont Road, Civil Lines, Karachi, Pakistan. In Lahore, the branch office is situated at Office no. 08, Park Lane Tower, 172-Tufail road, Lahore Cantonment. The Islamabad branch is situated at Ground Floor, Phase 1, State Life Building No. 5, Nazimuddin Road, Blue Area, Islamabad.

The Modaraba is a perpetual Modaraba and is primarily engaged in financing of plant and machinery, motor vehicles (both commercial and private), computer equipment and housing under the modes of Ijarah (Islamic leasing) and Diminishing Musharaka. The Modaraba may also invest in commercial and industrial ventures suitable for the Modaraba. The Modaraba is listed on the Pakistan Stock Exchange Limited.

The Pakistan Credit Rating Agency (PACRA) Limited has assigned long term rating of AA (2021: AA) and short term rating of A1+ (2021: A1+) to the Modaraba on March 03, 2023 (2021: March 03, 2022).

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Modaraba Regulations, 2021;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act 2017; and
- Provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP), under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Companies Act, 2017.

Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations, 2021, IFAS, the Companies Act, 2017 and provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP), under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Companies Act, 2017 differ from IAS 34, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations, 2021, IFAS, the Companies Act, 2017 and provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP), under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Companies Act, 2017 have been followed.

2.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required for a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Modaraba for the year ended June 30, 2022.

2.3 These condensed interim financial statements are unaudited.

2.4 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupees which is also the Modaraba's functional currency. All financial information presented has been rounded off to the nearest Rupee, unless otherwise stated.

3 SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those that were applied in the preparation of the annual published audited financial statements of the Modaraba for the year ended June 30, 2022.

3.2 The preparation of these condensed interim financial statements in conformity with the approved accounting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgments in application of the Modaraba's accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods. In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Modaraba's accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the annual published audited financial statements for the year ended June 30, 2022.

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

There are certain amendments to the published approved accounting standards that are mandatory for the Modaraba's accounting period beginning on July 01, 2022. However, these do not have any significant impact on the Modaraba's operations and, therefore, have not been detailed in these condensed interim financial statements.

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

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Modaraba's accounting periods beginning on or after July 01, 2023 but are considered not to be relevant or will not have any significant effect on the Modaraba's operations and are, therefore, not detailed in these condensed interim financial statements.

4 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Modaraba are consistent with those disclosed in the annual published audited financial statements of the Modaraba for the year ended June 30, 2022.

		(Un-audited) March 31, 2023	(Audited) June 30, 2022
	Note	----- (Rupees) -----	
5 CASH AND BANK BALANCES			
Balances with banks in:			
- current accounts		7,000,842	6,717,664
- deposit accounts	5.1	237,217,297	457,273,251
- term deposit receipts		-	50,000,000
Balance with the State Bank of Pakistan		26,204	76,204
Cash in hand		95,000	81,506
		244,339,343	514,148,625

5.1 These carry profit at the rates ranging from 6.00% to 15.25% (June 30, 2022: 9.64% to 12.75%) per annum.

5.2 The balances held with banks in deposit accounts, term deposit receipts and Investment in mutual funds have been kept in order to comply with the requirement of the Modaraba Regulations, 2021 issued by the SECP with respect to the maintenance of the prescribed liquidity against the Certificates of Musharaka issued by the Modaraba.

		(Un-audited) March 31, 2023	(Audited) June 30, 2022
6 IJARAH RENTALS RECEIVABLE	Note	----- (Rupees) -----	
ljarah rentals receivable - considered good		122,051,621	124,755,394
ljarah rentals receivable - considered bad or doubtful	6.1	35,029,749	27,569,069
Less: allowance for potential ljarah losses	6.2	(15,898,403)	(12,327,647)
Less: profit held in suspense	6.3	(19,131,346)	(15,241,422)
		-	-
		122,051,621	124,755,394

6.1 This is netted-off with the related security deposits held as at the reporting date.

6.2 Allowance for potential ljarah losses

Opening balance	12,327,647	16,520,076
Provision / (reversal) for the period / year - net	3,570,756	(4,192,429)
Amount written off during the period / year	-	-
Closing balance	15,898,403	12,327,647

6.3 Profit held in suspense

Opening balance	15,241,422	19,746,816
Reversal of income suspended during the period / year	-	(4,505,394)
Suspended income reversed during the period / year	3,889,924	-
Closing balance	19,131,346	15,241,422

6.4 ljarah includes Rs. 78.38 million (June 30, 2022: Rs. 53.55 million) which have been placed under non-performing status.

6.5 The Modaraba has availed the benefit of forced sale value of assets held as collateral against non-performing ljarah as allowed under the Modaraba Regulations, 2021 issued by the SECP. Had the benefit not been taken by the Modaraba, the specific provision against non-performing ljarah would have been higher by Rs. 21.14 million (June 30, 2022: Rs. 27.97 million).

		(Un-audited) March 31, 2023	(Audited) June 30, 2022
7 SHORT-TERM INVESTMENTS	Note	----- (Rupees) -----	
At amortised cost			
Investment in Sukuk certificates	7.1	-	57,701,835
Less: provision in respect of Sukuk certificates	7.2	-	(57,701,835)
		-	-
At fair value through profit or loss			
Investment in mutual funds	5.2	316,156,674	-
		316,156,674	-

7.1 Particulars of Investment in Sukuk Certificates

Name of the Investee Company	Number of certificates				Profit rate	Tenor	Security	March 31, 2023 (Un-audited)		
	As at July 01, 2022	Purchased during the year	Write off during the Period	As at March 31, 2023				Principal amount outstanding	Provision held	Carrying amount
Sukuk certificates of Rs. 5,000 each unless stated otherwise								----- (Rupees) -----		
Security Leasing Corporation Limited (note 7.11)	5,000	-	(5,000)	-	-	-	-	-	-	
Shahraj Fabrics (Private) Limited (note 7.12)	10,000	-	(10,000)	-	-	-	-	-	-	
As at March 31, 2023 (Un-audited)								-	-	-
As at June 30, 2022 (Audited)								57,701,835	(57,701,835)	-

7.1.1 On March 18, 2010, the terms of the redemption of principal outstanding balance and payment of profit thereon were restructured. Under the revised terms, principal redemptions were to commence from April 2010 in 48 equal monthly installments payable in arrears and profit was to be payable at the rate of 6% for the first eighteen months commencing from the date of restructuring and at the rate of 1 month KIBOR thereafter. The revised agreement was restructured with effect from March 19, 2011 under which, all future profit payments as per the first restructuring agreement were waived and the redemptions of the outstanding principal balance were to be continued to be made as per the original restructuring agreement. During the year ended June 30, 2012, the terms of the agreement were revised for the third time, whereby, the remaining principal became payable in 120 equal monthly installments commencing from February 19, 2012. The payments of these Sukuk certificates have been overdue since July 2014. Accordingly, the Board approved write off in its meeting dated February 23, 2023.

7.1.2 As per the terms of the Sukuk agreement, the principal was to be repaid in 14 equal quarterly installments beginning from the 21st month following the date of disbursement, whereas, profit was payable semi-annually in arrears. However, principal payments have been overdue since 2008 and, accordingly, the Sukuk has been classified under the 'loss' category of non-performing assets as per the requirements of the Modaraba Regulations, 2021. Consequently, the management has retained a provision at the rate of 100 percent in respect of the said investment and has suspended the accrued profit. Accordingly, the Board approved write off of both principal as well as profit in its meeting dated February 23, 2023.

7.2 Movement in provision against Sukuk certificates

	(Un-audited) March 31, 2023	(Audited) June 30, 2022
	----- (Rupees) -----	
Opening balance	57,701,835	57,701,835
Provision for the period / year	-	-
Write off during the period / year	(57,701,835)	-
Closing balance	-	57,701,835

	Note	(Un-audited) March 31, 2023	(Audited) June 30, 2022
		----- (Rupees) -----	
7.3 Break-up of investment in Sukuk certificates between long-term and current portion			
Current portion of investment in Sukuk certificates		-	57,701,835
Less: Provision held		-	(57,701,835)
		-	-
Long-term portion of investment in Sukuk certificates		-	-
Less: Provision held		-	-
		-	-
8 DIMINISHING MUSHARAKA			
Staff - considered good			
- Housing finance		99,979,953	62,928,839
- Motor vehicles		38,658,209	24,467,656
- Others		2,803,825	1,933,187
	8.1 & 8.2	141,441,987	89,329,682
Others - considered good			
- Housing finance		360,998,351	387,290,598
- Motor vehicles		1,525,577,395	1,464,938,707
- Plant, machinery and equipment		2,102,211,742	1,727,437,560
		3,988,787,488	3,579,666,865
Others - considered bad or doubtful			
- Housing finance		1,137,630	-
- Motor vehicles		33,866,658	56,299,464
- Plant, machinery and equipment		158,106,900	126,778,752
		193,111,188	183,078,216
Less: provision in respect of Diminishing Musharaka	8.3	(80,060,904)	(89,189,561)
		4,101,837,772	3,673,555,520
		4,243,279,759	3,762,885,202

8.1 These represent finance provided to employees, officers and key management personnel of the Modaraba under Diminishing Musharaka arrangement for renovation, construction and purchase of house, purchase of vehicles and other consumer durables. These carry profit at the rates ranging from 18.78% to 25.03% (June 30, 2022: 13.74% to 18.44%) per annum and are repayable on monthly basis over a maximum period of 20 years (June 30, 2022: 20 years). The maximum aggregate amount due from officers and employees at any time during the year calculated by reference to month-end balance is Rs. 145.128 million (June 30, 2022: Rs. 124.080 million).

8.1.1 This includes Diminishing Musharaka facility availed by key management personnel as per employment terms, with respect to housing finance, motor vehicles and personal finance amounting to Rs. 26.398 million (June 30, 2022: Rs. 29.816 million), Rs. 18.815 million (June 30, 2022: Rs. 9.996 million) and Rs. 0.402 million (June 30, 2022: Rs. 0.616 million) respectively. These are secured against Diminishing Musharaka assets.

	(Un-audited) March 31, 2023	(Audited) June 30, 2022
	----- (Rupees) -----	
8.2 Reconciliation of carrying amounts of finance provided to employees and officers under Diminishing Musharaka arrangement		
Opening balance	89,329,682	106,598,697
Disbursements during the period / year	79,647,036	31,686,254
Transfer of resigned staff	-	(4,235,115)
Receipts during the period / year	(27,534,731)	(44,720,154)
Closing balance	141,441,987	89,329,682
8.3 Movement in provision against Diminishing Musharaka		
Opening balance	89,189,561	88,152,308
(Reversal) / provision for the period / year - net	(9,128,657)	1,037,253
Closing balance	80,060,904	89,189,561
8.4 Break-up of Diminishing Musharaka between long-term and current portion		
Current portion of Diminishing Musharaka	1,361,509,272	1,333,903,806
Less: provision held	(55,118,036)	(34,332,530)
	1,306,391,236	1,299,571,276
Long-term portion of Diminishing Musharaka	2,961,831,391	2,518,170,957
Less: provision held	(24,942,868)	(54,857,031)
	2,936,888,523	2,463,313,926
8.5	The Modaraba has availed the benefit of forced sale value of assets held as collateral against non-performing Diminishing Musharaka as allowed under the Modaraba Regulations, 2021 issued by the SECP. Had the benefit not been taken by the Modaraba, the specific provision against non-performing Diminishing Musharaka would have been higher by Rs. 19.07 million (June 30, 2022: Rs. 49.28 million).	
8.6	Diminishing Musharaka includes Rs. 193.11 million (June 30, 2022: Rs. 183.08 million) which have been placed under non-performing status.	
8.7	Diminishing Musharaka carries profit at the rates ranging from 17.20% to 27.28% (June 30, 2022: 10.04% to 21.16%) per annum.	

		(Un-audited) March 31, 2023	(Audited) June 30, 2022
9 IJARAH ASSETS	Note		
Ijarah contracts commencing on or after July 01, 2008 - accounted for under IFAS 2	9.2 & 9.3	1,654,908,347	1,811,054,254
Ijarah contracts prior to July 01, 2008 - accounted for as finance leases		-	370,000
Less: net investment in Ijarah finance	9.1	-	(370,000)
		-	-
		1,654,908,347	1,811,054,254

9.1 Net investment in Ijarah finance

	Note	March 31, 2023 (Un-audited)			June 30, 2022 (Audited)		
		Not later than one year	Later than one year and less than five years	Total	Not later than one year	Later than one year and less than five years	Total
		----- (Rupees) -----					
Minimum Ijarah payments receivable		-	-	-	1,264,599	-	1,264,599
Add: Residual value		-	-	-	370,000	-	370,000
Gross investment in Ijarah finance		-	-	-	1,634,599	-	1,634,599
Less: Unearned finance income		-	-	-	-	-	-
Allowance for potential Ijarah losses	9.1.1	-	-	-	1,134,443	-	1,134,443
Suspended income	9.1.1	-	-	-	130,156	-	130,156
Net Investment in Ijarah finance		-	-	-	370,000	-	370,000

9.1.1 Allowance for potential Ijarah losses

	March 31, 2023 (Un-audited)			June 30, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees) -----					
Opening balance	1,134,443	-	1,134,443	1,134,443	-	1,134,443
Write off during the period / year	(1,134,443)	-	(1,134,443)	-	-	-
Closing balance	-	-	-	1,134,443	-	1,134,443

		(Un-audited) March 31, 2023	(Audited) June 30, 2022
9.1.2 Suspended income	Note		
Opening balance		130,156	130,156
Write off during the period / year		(130,156)	-
Closing balance		-	130,156

9.2 During the nine months period ended March 31, 2023, additions amounting to Rs. 415 million (March 31, 2022: Rs. 579 million) and disposals amounting to Rs. 344 million (March 31, 2022: Rs. 582 million) were made to the assets under Ijarah arrangements.

Ijarah assets

Additions at cost during the period

- Plant, machinery and equipments
- Motor vehicles

Disposals at cost during the period

- Plant, machinery and equipments
- Motor vehicles

	(Un-audited) March 31, 2023	(Un-audited) March 31, 2022
	----- (Rupees) -----	
	415,045,483	544,826,570
	-	34,586,000
	415,045,483	579,412,570
	107,722,977	228,593,367
	236,585,789	353,394,719
	344,308,766	581,988,086

9.3 The Modaraba has entered into various Ijarah agreements for periods ranging from 2 to 6 years (June 30, 2022: 2 to 6 years). Security deposits ranging between 0% to 51% (June 30, 2022: 0% to 55%) are obtained at the time of disbursement. The rate of profit implicit in Ijarah finance ranges between 17.74% to 25.06% (June 30, 2022: 12.91% to 20.35%) per annum.

9.4 Ijarah includes Rs. 78.38 million (June 30, 2022: Rs. 53.55 million) which have been placed under non-performing status.

9.5 The Modaraba has availed the benefit of forced sale value of assets held as collateral against non-performing Ijarah as allowed under the Modaraba Regulations, 2021 issued by the SECP. Had the benefit not been taken by the Modaraba, the specific provision against non-performing Ijarah would have been higher by Rs. 21.14 million (June 30, 2022: Rs. 27.97 million).

10 TANGIBLE ASSETS

Note

Tangible assets in own use

10.1

	(Un-audited) March 31, 2023	(Audited) June 30, 2022
	----- (Rupees) -----	
	19,292,993	18,188,866

10.1 The following is a statement of tangible assets in own use:

March 31, 2023 (Un-audited)				
Tangible assets				Total
Lease hold improvements	Furniture and fittings	Office equipment, appliances and computer systems	Motor vehicles	
(Rupees)				
At July 01, 2022				
Cost	12,198,211	8,279,748	36,719,739	59,791,998
Accumulated depreciation	(11,409,910)	(6,835,618)	(20,763,304)	(41,603,132)
Net book value	788,301	1,444,130	15,956,435	18,188,866
Additions	-	-	1,829,010	6,469,500
Disposals				
Cost	-	-	(182,595)	(2,492,500)
Depreciation	-	-	30,432	2,492,500
	-	-	(152,163)	(152,163)
Depreciation charge for the period	(148,239)	(536,832)	(5,116,068)	(7,042,220)
Closing net book value	640,062	907,298	12,517,214	19,292,993
At March 31, 2023				
Cost	12,198,211	8,279,748	38,366,154	65,415,413
Accumulated depreciation	(11,558,149)	(7,372,450)	(25,848,940)	(46,122,420)
Net book value	640,062	907,298	12,517,214	19,292,993
Depreciation rate (% per annum)	20%	33.33%	20% - 33.33%	33.33%

June 30, 2022 (Audited)				
Tangible assets				Total
Lease hold improvements	Furniture and fittings	Office equipment, appliances and computer systems	Motor vehicles	
(Rupees)				
At July 01, 2021				
Cost	11,277,508	6,946,242	21,896,467	42,714,517
Accumulated depreciation	(11,212,258)	(6,518,397)	(18,264,820)	(38,589,775)
Net book value	65,250	427,845	3,631,647	4,124,742
Additions	920,703	1,680,537	15,887,501	18,488,741
Disposals				
Cost	-	(347,031)	(1,064,229)	-
Depreciation	-	347,031	1,029,919	-
	-	-	(34,310)	(34,310)
Depreciation charge for the year	(197,652)	(664,252)	(3,528,403)	(4,390,307)
Closing net book value	788,301	1,444,130	15,956,435	18,188,866
At June 30, 2022				
Cost	12,198,211	8,279,748	36,719,739	59,791,998
Accumulated depreciation	(11,409,910)	(6,835,618)	(20,763,304)	(41,603,132)
Net book value	788,301	1,444,130	15,956,435	18,188,866
Depreciation rate (% per annum)	20%	33.33%	20% - 33.33%	33.33%

		(Un-audited) March 31, 2023	(Audited) June 30, 2022
11 INTANGIBLE ASSETS			
	Note	----- (Rupees) -----	
Software		2,461,818	833,934
11.1 Opening balance			
Cost		31,770,056	30,887,067
Accumulated amortisation		(30,936,122)	(30,765,744)
Net book value		833,934	121,323
Additions during the period / year		2,039,788	882,989
Disposals			
Cost		(24,570)	-
Accumulated amortisation		4,095	-
		(20,475)	-
Amortisation charge for the period / year		(391,429)	(170,378)
Closing net book value		2,461,818	833,934
Amortisation rate (% per annum)		33.33%	33.33%
Closing balance			
Cost		33,785,274	31,770,056
Accumulated amortisation		(31,323,456)	(30,936,122)
Net book value		2,461,818	833,934
12 DEFERRED TAX ASSETS			
Deferred tax assets		72,703,294	62,900,127
13 TERM FINANCE ARRANGEMENTS			
Musharaka / Wakala finance	13.1, 13.2 & 13.3	1,717,047,733	1,587,104,145
Less: current portion of term finance arrangements		(1,088,951,352)	(437,094,289)
Long-term portion of term finance arrangements		628,096,381	1,150,009,856

13.1 Musharaka / Wakala Finance

Name of bank	Facility limit		Profit rate (per rupee one thousand per day)		Frequency of profit payment	Tenor		Balance outstanding	
	As at March 31, 2023 (Un-audited)	As at June 30, 2022 (Audited)	During the period ended March 31, 2023 (Un-audited)	During the year ended June 30, 2022 (Audited)		March 31, 2023 (Un-audited)	June 30, 2022 (Audited)	As at March 31, 2023 (Un-audited)	As at June 30, 2022 (Audited)
	(Rupees)							(Rupees)	
Bank Alfalah Limited	131,250,000	262,499,999	0.4290-0.6148	0.2178-0.429	Quarterly	3 years	3 years	131,250,000	262,499,999
Allied Bank Limited	800,000,000	800,000,000	0.4290-0.6175	0.2205-0.3422	Quarterly	3-5 years	3-5 years	516,361,991	693,533,197
Pakistan Mortgage Refinance Company Limited	269,435,742	331,070,949	0.3658	0.1786-0.3658	Quarterly	5 years	5 years	269,435,742	331,070,949
Meezan Bank Limited	500,000,000	-	0.4405-0.5608	-	Quarterly	1 year	-	500,000,000	-
United Bank Limited	300,000,000	300,000,000	0.4184-0.5027	0.4184	Quarterly	3 years	3 years	300,000,000	300,000,000
								1,717,047,733	1,587,104,145

13.2 The aforementioned facilities are secured against exclusive hypothecation over term deposit receipts, specific movable Ijarah and Diminishing Musharaka assets and the rentals / installments receivable in respect of such assets.

13.3 These carry profit at the rates ranging from 13.35% to 22.54% (June 30, 2022: 6.52% to 15.66%) per annum.

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There were no contingencies outstanding as at March 31, 2023 and June 30, 2022.

14.2 Commitments

Outstanding letters of comfort as at March 31, 2023 amounts to Rs. 83.8 million (June 30, 2022: Rs. 83.8 million).

(Un-audited) Nine months period ended March 31, 2023	(Un-audited) Nine months period ended March 31, 2022
-----	-----
(Rupees)	

15 FINANCIAL AND OTHER CHARGES

Profit on redeemable capital	308,980,091	167,683,090
Profit on term finance arrangements	232,883,005	79,194,417
Commission	17,759,436	19,341,924
Unwinding of security deposits	27,269,821	20,920,981
Bank charges	599,697	73,889
	587,492,050	287,214,301

16 MANAGEMENT COMPANY'S REMUNERATION

The Modaraba Management Company is entitled to a remuneration for services rendered to the Modaraba under the provisions of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 upto a maximum of 10% per annum of the net annual profits of the Modaraba. The remuneration for the period ended March 31, 2023 has been recognised at 10% (June 30, 2022: 10%) of the profit before taxation for the period before charging such remuneration.

17 PROVISION FOR SERVICES SALES TAX ON THE MANAGEMENT COMPANY'S REMUNERATION

During 2013, the Sindh Revenue Board (SRB) levied Sindh sales tax on the Management Company's remuneration, which is paid by the Modaraba to its Management Company under the provisions of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, treating it as a fee and chargeable under the Sindh Sales Tax on Services Act, 2011. The Modaraba, however, considers that the Management Company's remuneration is an allocation of profit under the Shariah principle of "Modaraba" and therefore does not qualify to be treated as a fee and therefore does not attract any services sales tax.

Pursuant to Order number SRB-COM-I/AC-V/Mgt/SCSOP/5878/2012 of the SRB dated April 22, 2013 issued to the Management Company, the Modaraba has recorded a provision in respect of Sindh sales tax on Management Company's remuneration at applicable rates with effect from November 01, 2011. The Management Company had filed an appeal before the Appellate Tribunal SRB against this order. The Appellate Tribunal SRB through its order dated February 19, 2016 allowed the appeal and set aside the order-in-original and order-in-appeal and remanded back the case to the assessing officer for re-assessment. Thereafter, on April 08, 2016, the assessing officer issued a fresh notice to the Management Company contending that sales tax on the Management Company's remuneration is applicable. Against the notice, the Management Company has filed an appeal before the Honorable Sindh High Court (the Court). As an interim relief, the Court vide its Order dated October 13, 2016 has stopped the assessing authorities to pass any final order till the culmination of its proceedings. The interim relief was reconfirmed by the Court in its Order dated November 05, 2018. The case is pending to date. However, the Modaraba has continued to recognise the provision for services sales tax on the Management Company's remuneration.

18 PROVISION FOR SINDH WORKERS' WELFARE FUND

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs. 0.50 million, is required to pay to Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income.

The Sindh Revenue Board (SRB) vide its letter no. SRB/DC-A(W)/2017/Rep/4760 dated January 16, 2017 had advised the Modaraba to pay off all its liabilities falling due under the SWWF Act. The management considered that the SWWF Act is limited only to the province of Sindh and till the time there is any mechanism available for apportionment of total income relevant to province of Sindh, no SWWF liability to SRB can be paid out. On these grounds, foreseeing the expected WWF demand and penal actions from SRB, the Modaraba had filed a Constitutional Petition (CP) No. CP.D.3879/2017 with the Honorable Sindh High Court. On March 16, 2020, an interim order was issued by the Honorable Sindh High Court whereby the Modaraba was instructed to deposit the SWWF liability either with SRB or Nazir as appointed by the Court. During the year ended June 30, 2021, the Modaraba has deposited the SWWF amounting to Rs. 7.183 million with SRB, calculated on a proportionate basis and as advised by its legal counsel and consistent with the grounds adopted by the Modaraba in its petition. The management has provided for SWWF liability for the period from January 01, 2014 to March 31, 2023 in these condensed interim financial statements on a prudent basis.

	(Un-audited) Nine months period ended March 31, 2023	(Un-audited) Nine months period ended March 31, 2022
	----- (Rupees) -----	
19 TAXATION		
- Current	39,448,830	35,583,615
- Deferred	(9,803,167)	(5,421,991)
	29,645,663	30,161,624

19.1 The income of non-trading Modarabas was exempt from income tax provided that not less than 90% of their profits are distributed to the certificate holders. The tax clause which provides for such exemption has been omitted through Tax Laws (second) amendment Ordinance, 2021. Accordingly, provision for taxation has been made in these condensed interim financial statements.

20 EARNINGS PER CERTIFICATE - BASIC AND DILUTED

Diluted earnings per certificate has not been presented as the Modaraba does not have any convertible instruments in issue as at March 31, 2023 and March 31, 2022 which would have any effect on the earnings per certificate if the option to convert is exercised.

21 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Parties which are related to the Modaraba as per the requirements of in pursuit of IAS 24 'Related Party Disclosures' and includes associates, directors, staff retirement benefit plans and key management personnel. Remuneration of key management personnel are in accordance with the terms of employment. Dividend payout is recorded at the rate approved by the Modaraba Management Company. The Management Company's remuneration is in accordance with the rate mentioned in the law. Contributions to the staff provident fund and staff gratuity fund are made in accordance with the service rules. Other transactions are at agreed rates. The Modaraba enters into transactions with related parties for lease of assets and other general services. These transactions are based on a transfer pricing policy under which all transactions are carried out on agreed terms.

21.1 Transactions during the period

	(Un-audited) Nine months period ended March 31, 2023	(Un-audited) Nine months period ended March 31, 2022
	----- (Rupees) -----	
OLP Financial Services Pakistan Limited		
[formerly ORIX Leasing Pakistan Limited] - Holding Company of the Management Company		
Dividend	9,076,706	13,161,224
Allocated cost to the Modaraba for Islamabad office	458,230	400,655
OLP Services Pakistan (Private) Limited		
[formerly ORIX Services Pakistan (Private) Limited] - Management Company		
Management Company's remuneration	12,815,800	11,964,844
Dividend	9,076,706	13,161,224
Rent reimbursement	3,498,120	-
Staff retirement benefits funds		
Contribution made to OLP Modaraba - Staff Provident Fund	4,391,624	4,056,322
Contribution made to OLP Modaraba - Staff Gratuity Fund	3,658,219	3,378,909
Reimbursement from OLP Modaraba - Staff Gratuity Fund	1,137,511	429,703
AWT Investments Limited (AWTIL) - Associate		
Profit on Certificate of Musharaka issued to mutual funds managed by AWTIL	11,076,609	-
Deposit against Certificate of Musharika	88,000,000	77,000,000
The Patients' Behbud Society for AKU - Associate		
Donation paid by the Modaraba	1,000,000	1,000,000
Layton Rahmatulla Benevolent Trust Hospital - Associate		
Donation paid by the Modaraba	1,000,000	2,000,000
Directors of the Management Company		
Dividend paid during the period	212,098	307,542
Key management personnel		
Salaries and benefits	46,986,685	40,996,181
Contribution to the staff provident fund	1,620,185	1,560,187
Contribution to the staff gratuity fund	1,349,610	1,299,631
Reimbursement from the staff gratuity fund	936,242	-
Income on Diminishing Musharaka arrangements	6,139,477	3,377,912
Profit on redeemable capital for the period	2,135,833	542,241
Redeemable capital issued (net off redemption)	18,000,000	6,500,000

21.2 Balances outstanding as at period / year end (Other than those disclosed in respective notes)	(Un-audited) March 31, 2023	(Audited) June 30, 2022
	----- (Rupees) -----	
OLP Financial Services Pakistan Limited [formerly ORIX Leasing Pakistan Limited] - Holding Company of the Management Company		
Certificate capital [Certificates held: 4,538,353 (June 30, 2022: 4,538,353)]	45,383,530	45,383,530.00
OLP Services Pakistan (Private) Limited [formerly ORIX Services Pakistan (Private) Limited] - Management Company		
Certificate capital [Certificates held: 4,538,353 (June 30, 2022: 4,538,353)]	45,383,530	45,383,530
Remuneration payable to the Management company	12,815,800	17,941,905
AWT Investments Limited (AWTIL) - Associate		
Profit payable on redeemable capital	3,902,600	3,283,231
Redeemable capital [Certificates held: 4 (June 30, 2022: 21)]	188,000,000	100,000,000
Directors of the Management Company		
Certificate capital [Certificates held: 106,049 (June 30, 2022: 106,049)]	1,060,490	1,060,490
Key management personnel		
Accrued profit on finances under Diminishing Musharaka	251,308	138,680
Profit payable on redeemable capital	2,065,843	979,000
Redeemable capital	28,550,000	22,550,000

22 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 Modaraba 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.

22.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Modaraba 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 following table shows the carrying amounts and fair values of all financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at March 31, 2023 (Un-audited)							
Carrying value				Fair value			
Fair value through profit or loss	Fair value through OCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees)							
Financial assets							
Cash and bank balances	-	244,339,343	244,339,343	-	-	-	-
ġarah rentals receivable	-	122,051,621	122,051,621	-	-	-	-
Investments	316,156,674	-	316,156,674	-	316,156,674	-	316,156,674
Advances, deposits, prepayments and other receivables	-	114,742,769	114,742,769	-	-	-	-
Diminishing Musharaka	-	4,243,279,759	4,243,279,759	-	-	-	-
Net investment in ġarah finance	-	-	-	-	-	-	-
Total	316,156,674	4,724,413,492	5,040,570,166	-	316,156,674	-	316,156,674
Financial liabilities							
Term finance arrangements	-	1,717,047,733	1,717,047,733	-	-	-	-
Security deposits	-	519,167,603	519,167,603	-	-	-	-
Creditors, accrued and other liabilities	-	306,770,149	306,770,149	-	-	-	-
Redeemable capital	-	2,972,705,000	2,972,705,000	-	-	-	-
Unclaimed profit distribution	-	60,845,345	60,845,345	-	-	-	-
Advance ġarah rentals received	-	3,602,508	3,602,508	-	-	-	-
Total	-	5,580,138,338	5,580,138,338	-	-	-	-
As at June 30, 2022 (Audited)							
Carrying value				Fair value			
Fair value through profit or loss	Fair value through OCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees)							
Financial assets							
Cash and bank balances	-	514,148,625	514,148,625	-	-	-	-
ġarah rentals receivable	-	124,755,394	124,755,394	-	-	-	-
Advances, deposits and other receivables	-	255,664,043	255,664,043	-	-	-	-
Diminishing Musharaka	-	3,762,885,202	3,762,885,202	-	-	-	-
Net investment in ġarah finance	-	370,000	370,000	-	-	-	-
Total	-	4,657,823,264	4,657,823,264	-	-	-	-
Financial liabilities							
Term finance arrangements	-	1,587,104,145	1,587,104,145	-	-	-	-
Security deposits	-	404,914,141	404,914,141	-	-	-	-
Creditors, accrued and other liabilities	-	347,675,377	347,675,377	-	-	-	-
Redeemable capital	-	3,013,905,000	3,013,905,000	-	-	-	-
Unclaimed profit distribution	-	58,779,665	58,779,665	-	-	-	-
Advance ġarah rentals received	-	3,429,809	3,429,809	-	-	-	-
Total	-	5,415,808,137	5,415,808,137	-	-	-	-

23 SEGMENT INFORMATION

As per IFRS 8, "Operating Segments", operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Chief Executive Officer of the Management Company has been identified as the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

The Chief Executive Officer is responsible for the Modaraba's entire product portfolio and considers the business to have a single operating segment. The Modaraba's asset allocation decisions are based on a single integrated investment strategy and the Modaraba's performance is evaluated on an overall basis.

The internal reporting provided to the Chief Executive Officer for the Modaraba's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of the approved accounting standards as applicable in Pakistan.

The Modaraba is domiciled in Pakistan and all of its income is generated in Pakistan.

The Modaraba also has a diversified certificate holder population. As at March 31, 2023, there were only two (June 30, 2022: two) certificate holders who individually hold equal to or more than 10% of the Modaraba's certificate capital. Their holdings were 10% and 10% (June 30, 2022: 10% and 10%) respectively.

24 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

25 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on **April 20, 2023** by the Board of Directors of the Management Company.

For OLP Services Pakistan (Private) Limited (Formerly ORIX Services Pakistan (Private) Limited)
(Management Company of OLP Modaraba) (Formerly ORIX Modaraba)

Chief Executive Officer

Director

Director

Chief Financial Officer



OLP

OLP Modaraba
(Formerly ORIX Modaraba)

Office No. 601, 6th Floor,
Syedna Tahir Saifuddin Foundation Building,
Beaumont Road, Civil Lines, Karachi.
Phone: (021)35930000
Email: askus@olpmodaraba.com

Lahore Office:

Office No-08, 1st Floor,
Park Lane Tower (Mall of Lahore)
172-Tufail Road, Lahore Cantt.

Islamabad Office:

Ground Floor, Phase 1,
State Life Building, No. 5,
Nazimuddin Road, Blue Area,
Islamabad.