

NINE MONTHS REPORT
MARCH 2024

OLP Modaraba |  OLP



Assisting in Development of the SME Sector in Pakistan

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Modaraba Information

Modaraba Company OLP Services Pakistan (Pvt) 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
Ms. Naila Hasan	Independent Director
Mr. Nadim D. Khan	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

Ms. Naila Hasan	Chairperson
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 Advisors

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) 38341168
Email: askus@olpmodaraba.com

Lahore Branch:

Office No-08, 1st floor,
Park Lane Tower (Mall Of Lahore),
172-Tufail Road, Lahore Cantt.
Phone: (042) 38017006

Islamabad Branch:

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

Registrars & Share Registration Office:

Famco Share Registration Services (Pvt) Ltd.
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@famcosrs.com

Directors' Review

For the period ended March 31, 2024

The Board of Directors of OLP Services Pakistan (Private) Limited, the management company of OLP Modaraba is pleased to present the unaudited accounts of OLP Modaraba for the nine months period ended March 31, 2024.

1. Economic Outlook

Pakistan's economy is showing signs of a gradual recovery supported by higher crop output and improvements in manufacturing. Growth is forecast to resume in 2024 and strengthen in 2025 but the continued implementation of policy reforms is crucial to buttressing this momentum and fortifying the country's fiscal and external buffers.

The gross domestic product (GDP) growth is projected to recover modestly to 1.9% in FY2024 from -0.2% in FY2023 as economic reforms take effect and inflationary pressures ease. Adhering to the economic adjustment program is critical to restoring macroeconomic stability and the gradual recovery of growth. Downside risks to the outlook remain high.

In FY2024, growth will be supported by a rebound in private sector investment linked to progress on reform measures. In FY2025, growth is projected to reach 2.8%, driven by higher confidence, reduced macroeconomic imbalances, greater political stability, and improved external conditions. The current account deficit has also fallen to \$1.1 billion in the first 7 months of FY2024 from \$3.8 billion in the same period in FY2023, as the merchandise trade deficit narrowed by 30.8% with largely reflecting an improvement in trade balance.

Inflation will remain high—at about 25% in FY2024, driven by higher energy prices, but is expected to ease to 15% in FY2025 as inflation expectations moderate and progress on macroeconomic stabilization restores confidence. The central bank has maintained a tightened monetary policy, keeping the policy interest rate at 22% in response to persistent inflationary pressures and external imbalances. The central bank has committed to an appropriately tight policy to lower inflation to its medium-term target range of 5%–7%. Pakistan's total liquid foreign exchange reserves increased to \$ 13.421 billion on March 27, 2024, with SBP's reserves stood at \$ 8.084 billion and Commercial banks' reserves remained at \$ 5.340 billion.

2. Financial Highlights

Financial results are summarized as under:

Statement of Financial Position

	March 31, 2024	June 30, 2023
	----- (Rupees) -----	
Certificate capital	453,835	453,835
Total equity	1,202,960	1,176,623
Total assets	7,385,822	6,824,580
Investment in Ijarah finance and Ijarah Assets	1,333,646	1,627,562
Investments in Diminishing Musharika	4,820,566	4,269,916
Short term Investments	140,715	123,859
Redeemable capital	3,985,785	2,896,605

Statement of Profit and Loss

	Nine months ended March 31, 2024	Nine months ended March 31, 2023
	----- (Rupees) -----	
Revenue (net of Ijarah assets depreciation)	1,193,637	880,793
Financial and other charges	794,100	587,492
Provision / (reversal) of provisions – net	2,415	(8,724)
Operating expenses	203,706	173,867
Profit before modaraba management company's remuneration	197,417	128,158
Profit before taxation	168,130	111,403
Net profit	117,104	81,757

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 35.52% from PKR 880.793 million to PKR 1,193.637 million compared to the corresponding period of last year. The main reason behind this was the increase in the benchmark rate and the higher disbursements in the period. Our challenge during this period was the rapid and large movement of the KIBOR rate, which promoted an immediate increase in deposit rates and financial charges but translates into asset repricing with a lag. Financial and other charges increased from PKR 587.492 million to PKR 794.100 million, showing an increase of 35.17% compared to the last year's nine-month period. Despite the risk of an increase in infection rate due to the high discount rate, there is a net provision of PKR 2.415 million, which was due to prudent risk management through pro-actively and subjectively downgrading some stressed customers. Administrative and operating expenses increased by 17.16% from PKR 173.867 million to PKR. 203.706 million, mainly due to high inflation during the period. Profit before taxation increased by 50.92% from PKR 111.403 million to PKR 168.130 million. Whereas net profit for the period increased by 43.23% from PKR 81.757 million to PKR 117.104 million compared to the corresponding period last year.

The portfolio of Ijarah finance, Investments, Diminishing Musharika Finance, and short-term investments stood at PKR 6,295 million compared to PKR 6,021 million as at June 30, 2023, showing an increase of 4.54% during the nine-month period. Total assets increased by 8.22% to PKR 7,386 million, compared to PKR 6,825 million as at June 30, 2023. During the period under review, the Modaraba booked fresh disbursements to the tune of PKR 2,123.85 million as compared to PKR 1,736.57 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 the borrower's credit profile, including repayment ability is made at the time of the grant of facility and regular oversight is carried out thereon. 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 a low expectation of credit risk and a 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 the future.

Karachi: April 24, 2024



Raheel Qamar Ahmad
Managing Director/ CEO



Ramon Alfrey
Director

31 مارچ 2024ء کی اختتامی مدت کیلئے ڈائریکٹرز کا جائزہ:

OLP مضاربہ کی اختتامی کھپنی OLP سروسز پاکستان (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز OLP مضاربہ کی 31 مارچ 2024ء کو اختتام پذیر ہونے والی نو ماہی مدت کیلئے نو ماہی مدت کیلئے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

معاشی صورتحال:

فضلوں کی پیداوار میں اضافے اور میڈیوٹیکریجنگ میں بہتری کی بدولت پاکستان کی معیشت آہستہ آہستہ بہتری کی جانب گامزن ہو رہی ہے۔ سال 2024ء میں ترقی دوبارہ شروع ہونے اور 2025ء میں مضبوط ہونے کی امید ہے۔ تاہم، اس پیش رفت کو برقرار رکھنے اور ملک کے مالی اور بیرونی دفاع کو مضبوط بنانے کے لیے پالیسی اصلاحات کا نفاذ جاری رکھنا ضروری ہے۔

معاشی اصلاحات شروع ہونے اور افراط زر کے دباؤ میں کمی کے باعث مالی سال 2023 میں منفی 0.2% سے مالی سال 2024 میں مجموعی ملکی پیداوار (GDP) کی شرح نمو معمولی طور پر 1.9% تک بحال ہونے کی توقع ہے۔ میکرو اکنامک استحکام کو بحال کرنے اور بتدریج ترقی کی بحالی میں معاونت کے لیے اقتصادی ایڈجسٹمنٹ پروگرام پر قائم رہنا بہت ضروری ہے۔ تاہم، مستقبل کے لیے اب بھی اہم منفی خطرات موجود ہیں۔

مالی سال 2024 میں، نجی شعبے کی سرمایہ کاری میں بحالی سے ترقی کو فروغ ملے گا، جس کا تعلق اصلاحاتی اقدامات پر پیش رفت سے ہے۔ مالی سال 2025 میں، ترقی کے 2.8 فیصد تک پہنچنے کی توقع ہے، جو اعتماد میں اضافے، معاشی عدم توازن میں کمی، زیادہ سیاسی استحکام، اور بہتر بیرونی حالات کی وجہ سے ہے۔ کرنٹ اکاؤنٹ خسارہ بھی مالی سال 2024 کے پہلے 7 مہینوں میں کم ہو کر 1.1 بلین ڈالر ہو گیا جو مالی سال 2023 کے اسی عرصے میں 3.8 بلین ڈالر تھا، جس کی بڑی وجہ تجارتی خسارے میں 30.8 فیصد کمی ہے، جو تجارتی توازن میں بہتری کی عکاسی کرتا ہے۔

توانائی کی بڑھتی ہوئی قیمتوں کی وجہ سے مالی سال 2024 میں افراط زر تقریباً 25 فیصد تک بلند رہنے کی توقع ہے، لیکن مالی سال 2025 میں اس کے 15 فیصد تک رہنے کا امکان ہے کیونکہ افراط زر کی توقعات مستحکم ہوتی ہیں اور میکرو اکنامک اسٹیبلائزیشن میں پیش رفت سے اعتماد پیدا ہوتا ہے۔ سینٹرل بینک نے مالیاتی پالیسی میں سختی برقرار رکھی ہے، مسلسل افراط زر کے دباؤ اور بیرونی عدم توازن کے جواب میں پالیسی شرح سود کو 22 فیصد پر برقرار رکھا ہے۔ سینٹرل بینک افراط زر میں 5 فیصد سے 7 فیصد کی درمیانی مدت کے ہدف کی حد تک کم کرنے کیلئے مناسب طور پر سخت پالیسی اقدامات کو برقرار رکھنے کے لیے پرعزم ہے۔ پاکستان کے کل لیونیڈ زر مبادلہ کے ذخائر 27 مارچ 2024 کو بڑھ کر 13.421 بلین ڈالر ہو گئے، اسٹیٹ بینک آف پاکستان کے ذخائر 8.084 بلین ڈالر اور کمرشل بینکوں کے ذخائر 5.340 بلین ڈالر ہو گئے۔

2. مالیاتی نتائج:

مالیاتی نتائج کا خلاصہ درج ذیل ہے:

2023 جون 30 (روپے '000)	2024 مارچ 31 (روپے '000)
453,835	453,835
1,176,623	1,202,960
6,824,580	7,385,822
1,627,562	1,333,646
4,269,916	4,820,566
123,859	140,715
2,896,605	3,985,785

اسٹیٹمنٹ آف مالی حالت

سرٹیفیکٹ کیٹیول

مجموعی ایکٹیوٹی

مجموعی اثاثہ جات

اجارہ فنانس اور اجارہ اثاثہ جات میں سرمایہ کاری

ڈیپنٹنگ مشارکہ میں سرمایہ کاری

مختصر مدتی سرمایہ کاری

ریڈیم ایبل کیٹیول

31 مارچ 2023
کو اختتام پذیر
ہونے والی نو ماہی مدت

31 مارچ 2024
کو اختتام پذیر
ہونے والی نو ماہی مدت

(روپے '000)

(روپے '000)

880,793

1,193,637

587,492

794,100

(8,724)

2,415

173,867

203,706

128,158

197,417

111,403

168,130

81,757

117,104

اسٹیٹمنٹ آف نفع و نقصان

آمدنی (اجارہ اثاثہ جات کی قدر میں کمی کے بعد)

مالیاتی و دیگر چارجز

پروویڈنڈز/پروویڈنڈز کارپوریشن۔ 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 کے بعد) 35.52 فیصد اضافہ کے ساتھ گذشتہ سال کی اسی مدت کے مبلغ 880.793 ملین روپے سے مبلغ 1,193.637 ملین روپے ہو گئی۔ اس کی بنیادی وجہ بیٹن مارک ریٹ میں اضافہ اور دوران مدت میں زیادہ ادا کی گئیاں تھیں۔ دوران عرصہ ہمارا بیٹن کراچی انٹرنیشنل آف ڈیوٹی (KIBOR) کی تیز رفتار اور نمایاں حرکت تھی، جس کی وجہ سے ڈائریٹ رپٹ اور مالیاتی چارجز میں فوری اضافہ ہوا۔ تاہم، اس کے نتیجے میں اثاثوں کی قیمتوں میں اضافہ تاخیر سے ہوا۔ مالیاتی اور دیگر چارجز 587.492 ملین روپے سے بڑھ کر 794.100 ملین روپے ہو گئے، جو گذشتہ سال کی اسی مدت کے مقابلے میں 35.17% کا خاطر خواہ اضافہ ظاہر کرتا ہے۔ زیادہ ڈسکانٹ ریٹ کی وجہ سے انکیشن کی شرح میں اضافے کے خطرے کے باوجود صرف 2.415 ملین روپے کا خالص پروویڈنڈ ہوا، جس کی بنیادی وجہ کچھ ڈاؤ والے صارفین کی گریڈنگ میں بتکلیلی کی تنزیلی کی گئی۔ ذریعے خطرے کا وقتا ادا انتظام تھا۔ انتظامی اور آپریٹنگ اخراجات 173.867 ملین روپے سے 17.16% سے بڑھ کر 203.706 ملین روپے ہو گئے، جس کی بنیادی وجہ اس مدت کے دوران زیادہ افراط زر ہے۔ قبل از ٹیکس منافع مبلغ 111.403 ملین روپے سے مبلغ بڑھ کر 168.130 ملین روپے ہو گیا جو کہ 50.92 فیصد کا اضافہ ہے۔ دریں اثناء خالص منافع گذشتہ سال کی اسی مدت کے مقابلے میں 81.757 ملین روپے سے مبلغ بڑھ کر 117.104 ملین روپے ہو گیا جو کہ 43.23 فیصد ہو گیا جو کہ 43.23 فیصد کا اضافہ ہے۔

30 جون 2023 تک اجارہ فنانس، انویسٹمنٹ اور ڈیویڈنڈ مشاشر کنفرنسز کا پورٹ فولیو 6,021 ملین روپے کے مقابلے میں 6,295 ملین روپے رہا، جو کہ نو ماہی مدت کے دوران 4.54 فیصد کا اضافہ ظاہر کرتا ہے۔ 30 جون 2023 تک مجموعی اثاثہ جات 6,825 ملین روپے کے مقابلے میں 8.22 فیصد اضافہ کے ساتھ 7,386 ملین روپے ہو گئے۔ زیر جائزہ مدت کے دوران، مضاربہ نے 2,123.85 ملین روپے کی تازہ ادا کی گئیاں کی بکنگ کی جو گذشتہ سال کی اسی مدت کے دوران 1,736.57 ملین روپے تھی۔

OLP مضارہ ظاہری خطرات کا انتظام اور نگرانی کرتا ہے۔ قرض حاصل کنندہ کے کریڈٹ پروفائل کا جائزہ بشمول ادائیگی کی اہلیت سہولت فراہم کرنے اور اس پر باقاعدہ نگرانی کے وقت کی جاتی ہے۔ اس کے علاوہ، پورٹ فولیو مینجمنٹ اور رالی الرٹ کمیٹیاں ہیں جو ممکنہ ناخوشگوار حالات کے لیے پورٹ فولیو کی نگرانی اور بروقت الرٹ کو یقینی بنانے کی ذمہ دار ہیں۔

کریڈٹ ریٹنگ:

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے آپ کے مضارہ کی طویل مدتی اور مختصر مدتی درجہ بندی کو بالترتیب AA (ڈبل اے) اور A1+ (اے ون پلس) کے طور پر برقرار رکھا ہے۔ یہ ریٹنگز کریڈٹ رسک کی کم توقع اور مالی وعدوں کی بروقت ادائیگی کے لیے غیر معمولی مضبوط صلاحیت کی نشاندہی کرتی ہے۔

اظہار تشکر:

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



راجیل قمر احمد

ٹیچنگ ڈائریکٹر/سی ای او



رامن الفری

ڈائریکٹر

کراچی: 24 اپریل 2024ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2024

		March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
	Note	(Rupees)	
ASSETS			
Current assets			
Cash and bank balances	5	522,148,550	400,254,200
Ijarah rentals receivable	6	78,355,129	103,759,046
Advances, deposits, prepayments and other receivables		334,938,355	161,625,207
Short-term investments	7	140,714,870	123,858,681
Current portion of diminishing musharaka	8.4	1,381,793,096	1,321,802,595
Total current assets		2,457,950,000	2,111,299,729
Non-current assets			
Long-term portion of diminishing musharaka	8.4	3,438,772,724	2,948,113,326
Ijarah assets	9	1,333,645,567	1,627,562,155
Tangible assets	10	15,753,859	17,061,707
Intangible assets	11	4,199,343	2,194,932
Deferred tax assets	12	135,500,761	118,347,633
Total non-current assets		4,927,872,254	4,713,279,753
TOTAL ASSETS		7,385,822,254	6,824,579,482
LIABILITIES AND EQUITY			
Current liabilities			
Current portion of term finance arrangements	13	624,199,044	1,146,247,638
Current portion of security deposits		155,178,080	169,344,276
Creditors, accrued and other liabilities		405,280,522	415,240,194
Advance Ijarah rentals received		11,900,759	1,653,873
Current portion of redeemable capital		3,802,485,000	2,717,105,000
Unclaimed profit distribution		61,876,759	59,295,174
Provision for taxation - net		157,154,276	129,117,535
Total current liabilities		5,218,074,440	4,638,003,690
Non-current liabilities			
Long-term portion of term finance arrangements	13	489,397,346	503,762,218
Long-term portion of security deposits		292,090,567	326,691,002
Long-term portion of redeemable capital		183,300,000	179,500,000
Total non-current liabilities		964,787,913	1,009,953,220
TOTAL LIABILITIES		6,182,862,353	5,647,956,910
CERTIFICATE HOLDERS' EQUITY			
Certificate capital			
Authorised certificate capital			
50,000,000 (June 30, 2023: 50,000,000) certificates of Rs. 10 each			
amounting to Rs. 500,000,000 (June 30, 2023: Rs. 500,000,000)			
Issued, subscribed and paid-up certificate capital			
28,500,000 (June 30, 2023: 28,500,000) certificates of Rs. 10 each fully paid in cash		285,000,000	285,000,000
16,883,530 (June 30, 2023: 16,883,530) bonus certificates of Rs. 10 each		168,835,300	168,835,300
		453,835,300	453,835,300
Capital reserve		578,888,037	578,888,037
Revenue reserve		170,236,564	143,899,235
		1,202,959,901	1,176,622,572
TOTAL LIABILITIES AND EQUITY		7,385,822,254	6,824,579,482
CONTINGENCIES AND COMMITMENTS			
	14		

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

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

SD	SD	SD	SD
Chief Executive	Director	Director	Chief Financial Officer

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

FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2024

	Nine months period ended March 31, 2024	Nine months period ended March 31, 2023	Three months period ended March 31, 2024	Three months period ended March 31, 2023
Note	(Rupees)		(Rupees)	
Ijarah rentals earned	637,240,455	721,896,496	185,726,633	246,906,122
Income on Diminishing Musharaka arrangements	839,696,124	571,502,299	283,064,291	213,409,111
Dividend income	19,830,813	19,007,852	6,829,212	12,477,282
Profit on bank balances	65,629,970	45,001,548	22,944,237	2,373,156
	1,562,397,362	1,357,408,195	498,564,373	475,165,671
Financial and other charges	15 (794,099,607)	(587,492,050)	(259,408,492)	(210,469,513)
Depreciation on Ijarah assets	(395,335,708)	(505,093,371)	(121,591,454)	(170,356,882)
Reversal of impairment on assets under Ijarah arrangements	13,424,240	-	-	-
	386,386,287	264,822,774	117,564,427	94,339,276
Provision against Ijarah rentals receivable - net	(23,106,866)	(3,570,756)	(464,848)	(929,366)
Reversal of provision against Diminishing Musharaka - net	7,267,277	9,128,657	924,188	(6,042,182)
Reversal of provision against other receivables - net	-	3,166,028	-	-
	370,546,698	273,546,703	118,023,767	87,367,728
Other income	26,575,813	28,478,409	13,610,516	7,694,388
Administrative and operating expenses	(203,705,669)	(173,867,107)	(62,200,056)	(59,982,329)
	193,416,842	128,158,005	69,434,227	35,079,787
Management Company's remuneration	16 (19,341,684)	(12,815,801)	(6,943,422)	(3,507,979)
Provision for services sales tax on the Management Company's remuneration	17 (2,514,419)	(1,666,054)	(902,645)	(456,037)
Provision for Sindh Workers' Welfare Fund	18 (3,431,215)	(2,273,523)	(1,231,763)	(622,315)
Profit for the period before taxation	168,129,524	111,402,627	60,356,397	30,493,456
Taxation	19 (51,025,135)	(29,645,663)	(19,970,820)	(6,824,112)
Profit for the period after taxation	117,104,389	81,756,964	40,385,577	23,669,344
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	117,104,389	81,756,964	40,385,577	23,669,344
Earnings per certificate - basic and diluted	2.58	1.80	0.89	0.52

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

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

SD
Chief Executive

SD
Director

SD
Director

SD
Chief Financial Officer

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Nine months period ended March 31, 2024	Nine months period ended March 31, 2023
Note	-----	-----
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	168,129,524	111,402,627
Adjustments for non-cash and other items:		
Depreciation on tangible assets	6,453,531	7,042,220
Amortisation on intangible assets	1,357,045	391,429
Gain on disposal of tangible assets	(92,061)	(3,394,962)
Depreciation on Ijarah assets	395,335,708	505,093,371
Loss / (gain) on disposal of Ijarah assets	613,706	(3,466,263)
Reversal of impairment on assets under Ijarah arrangements	(13,424,240)	-
Provision against Ijarah rentals receivable - net	23,106,866	3,570,756
Reversal of provision against Diminishing Musharaka - net	(7,267,277)	(9,128,657)
Reversal of provision against other receivables - net	-	(3,166,028)
Profit on bank balances	(65,629,970)	(45,001,548)
Financial charges on:		
- Redeemable capital	507,826,658	308,980,091
- Term finance arrangements	229,074,443	232,883,005
Provision for services sales tax on the Management Company's remuneration	2,514,419	1,666,054
Provision for Sindh Workers' Welfare Fund	3,431,215	2,273,523
	<u>1,083,300,043</u>	<u>997,742,991</u>
	<u>1,251,429,567</u>	<u>1,109,145,618</u>
(Increase) / decrease in assets		
Advances, deposits, prepayments and other receivables	(173,331,157)	281,220,582
Ijarah rentals receivable	2,297,050	(866,983)
Diminishing Musharaka	(543,382,622)	(471,265,900)
Short-term investments	(16,856,189)	(316,156,674)
	<u>(731,272,918)</u>	<u>(507,068,975)</u>
Increase / (decrease) in liabilities		
Creditors, accrued and other liabilities	30,734,457	(34,096,921)
Advance Ijarah rentals received	10,246,886	172,699
Security deposits	(48,766,631)	46,282,660
	<u>(7,785,288)</u>	<u>12,358,438</u>
Financial charges paid on:		
- Redeemable capital	(530,195,489)	(340,471,732)
- Term finance arrangements	(251,346,172)	(209,865,726)
	<u>(781,541,661)</u>	<u>(550,337,458)</u>
Payment against Workers' Welfare Fund	(1,999,202)	-
Taxes paid	(40,141,522)	(30,498,857)
Net cash (used in)/ generated from operating activities	<u>(311,311,024)</u>	<u>33,598,766</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure of fixed and intangible assets	(8,513,078)	(10,338,298)
Capital expenditure of Ijarah assets	(213,052,624)	(415,045,483)
Proceeds from disposal of fixed assets in own use	98,000	3,567,600
Proceeds from disposal of Ijarah assets	124,444,039	69,564,283
Profit received on bank deposits	65,647,978	48,801,642
Net cash used in investing activities	<u>(31,375,685)</u>	<u>(303,450,256)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Redeemable capital less repayments	1,089,180,000	(41,200,000)
Term finance less repayments	(536,413,466)	129,943,588
Profit distribution to the certificate holders	(88,185,475)	(88,701,380)
Net cash generated from financing activities	<u>464,581,059</u>	<u>42,208</u>
Net increase / (decrease) in cash and cash equivalents during the period	<u>121,894,350</u>	<u>(269,809,282)</u>
Cash and cash equivalents at the beginning of the period	<u>400,254,200</u>	<u>514,148,625</u>
Cash and cash equivalents at the end of the period	<u>522,148,550</u>	<u>244,339,343</u>

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The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

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

SD	SD	SD	SD
Chief Executive	Director	Director	Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Issued, subscribed and paid-up certificate capital	Capital reserve		Revenue reserve	Sub-total	Total
		Premium on issue of modaraba certificates	Statutory reserve	Unappropriated profit		
(Rupees)						
Balance as on July 01, 2022 (audited)	453,835,300	55,384,700	517,064,116	572,448,816	112,321,106	684,769,922
Total comprehensive income for the period						
- Profit for the nine months period ended March 31, 2023	-	-	-	-	81,756,964	81,756,964
- Other comprehensive income for the nine months period ended March 31, 2023	-	-	-	-	-	-
	-	-	-	-	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)
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>
Balance as on July 01, 2023 (audited)	453,835,300	55,384,700	523,503,337	578,888,037	143,899,235	722,787,272
Total comprehensive income for the period						
- Profit for the nine months period ended March 31, 2024	-	-	-	-	117,104,389	117,104,389
- Other comprehensive income for the nine months period ended March 31, 2024	-	-	-	-	-	-
	-	-	-	-	117,104,389	117,104,389
Transactions with owners						
Profit distribution for the year ended June 30, 2023 @ Rs. 2 per certificate declared subsequent to the year ended June 30, 2023	-	-	-	-	(90,767,060)	(90,767,060)
Transfer to statutory reserve	-	-	-	-	-	-
Balance as at March 31, 2024 (un-audited)	<u>453,835,300</u>	<u>55,384,700</u>	<u>523,503,337</u>	<u>578,888,037</u>	<u>170,236,564</u>	<u>1,202,959,901</u>

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

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

SD
Chief Executive

SD
Director

SD
Director

SD
Chief Financial Officer

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

1. STATUS AND NATURE OF BUSINESS

OLP Modaraba ('the 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'). The Management Company is a wholly owned subsidiary of OLP Financial Services Pakistan Limited.

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

The Modaraba is operated through a head office in Karachi which is situated at 6th Floor, Syedna Tahir Saifuddin Trust Building, Beaumont Road, Civil Lines and two branches which are located in Lahore and Islamabad. The Lahore 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 Musharika. 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 (2023: AA) and short term rating of A1+ (2023: A1+) to the Modaraba on March 01, 2024 (2023: March 03, 2023).

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, 2023.

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 and accounting estimates 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 except for those mentioned in the note 3.3 in the preparation of the annual published audited financial statements of the Modaraba for the year ended June 30, 2023.

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 of the modaraba for the year ended June 30, 2023.

3.3 Change in accounting estimate

During the current period, the estimated useful lives of certain assets under the category of leasehold improvements, furniture and fittings and motor vehicles have been reviewed and based on the management experience, the estimated useful lives have been revised from 5, 3 and 3 years to 3, 6 and 4 to 5 years for different class of assets. Furthermore, residual value of motor vehicles has also been revised from 0% to 40% to 45%. This change has been accounted for as change in accounting estimate in accordance with the requirements of International Accounting Standard (IAS) 8 'Accounting policies, changes in accounting estimates and errors' whereby the effect of the change has been recognised prospectively by including the same in the statement of profit or loss with effect from July 1, 2023 (i.e. the date of change in estimate). The impacts of change in accounting estimate (before tax) are given as follows:

	2023 (Rupees)
Statement of Financial Position	
Increase in property, plant and equipment	941,867
Statement of Profit and loss account and other comprehensive income (Note 3.3.1)	
Decrease in depreciation expense	941,867
Increase in earnings per share	0.02
Statement of changes in equity	
Increase in unappropriated profit	941,867
Cash flow statement	
Decrease in depreciation expense	941,867

3.3.1 The impact of change in accounting estimate on the Management Company's remuneration, related provision for services sales tax and provision for Sindh Workers' Welfare Fund has not been incorporated in the impacts shown in note 3.3 as there impact is not material.

3.4 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, 2023. 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.

3.5 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, 2024 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, 2023.

5. CASH AND BANK BALANCES

		(Un-audited) March 31, 2024	(Audited) June 30, 2023
	Note	----- (Rupees) -----	
Balances with banks in:			
- current accounts		813,288	15,693,606
- deposit accounts	5.1	521,078,279	384,285,213
Balance with the State Bank of Pakistan		152,483	190,881
Cash in hand		104,500	84,500
		<u>522,148,550</u>	<u>400,254,200</u>

5.1 These carry profit at the rates ranging from 10.14% to 20.50% (June 30, 2023: 10.04% to 19.50%) per annum.

5.2 The balances held with banks in deposit accounts 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.

6. IJARAH RENTALS RECEIVABLE

		(Un-audited) March 31, 2024	(Audited) June 30, 2023
	Note	----- (Rupees) -----	
Ijarah rentals receivable - considered good		78,355,129	103,759,046
Ijarah rentals receivable - considered bad or doubtful		68,569,716	48,454,351
Less: allowance for potential Ijarah losses	6.1	(53,892,227)	(30,785,361)
Less: profit held in suspense	6.2	(14,677,489)	(17,668,990)
		-	-
		<u>78,355,129</u>	<u>103,759,046</u>

6.1 Allowance for potential Ijarah losses

Opening balance	30,785,361	12,327,647
Provision for the period / year - net	23,106,866	18,457,714
Closing balance	<u>53,892,227</u>	<u>30,785,361</u>

		(Un-audited) March 31, 2024	(Audited) June 30, 2023
6.2 Profit held in suspense	Note	----- (Rupees) -----	
Opening balance		17,668,990	15,241,422
Reversal of income suspended during the period / year		(2,991,501)	-
Income suspended during the period / year		-	2,427,568
Closing balance		14,677,489	17,668,990

6.3 Ijarah includes Rs. 101.125 million (June 30, 2023: Rs. 40.095 million) which have been placed under non-performing status.

6.4 During the period, the Modaraba has not availed the benefit of forced sales value of assets held as collateral against non-performing Ijarah as allowed under the Modaraba Regulations, 2021 issued by the SECP.

		(Un-audited) March 31, 2024	(Audited) June 30, 2023
7 SHORT-TERM INVESTMENTS	Note	----- (Rupees) -----	
At amortised cost			
Investment in Sukuk certificates	7.1	-	57,701,835
Less: write off in respect of sukuk certificates	7.1	-	(57,701,835)
		-	-
At fair value through profit or loss			
Investment in mutual funds	5.2	140,714,870	123,858,681
		140,714,870	123,858,681

7.1 Movement in provision against Sukuk certificates

Opening balance	-	57,701,835
Amount written off	-	(57,701,835)
Closing balance	-	-

8 DIMINISHING MUSHARAKA

Staff - considered good

- Housing finance	89,612,250	93,264,073
- Motor vehicles	33,993,656	42,155,284
- Others	3,234,362	3,408,044
	126,840,268	138,827,401

8.1 & 8.2

Others - considered good

- Housing finance
- Motor vehicles
- Plant, machinery and equipment

Others - considered bad or doubtful

- Housing finance
- Motor vehicles
- Plant, machinery and equipment

Less: provision in respect of Diminishing Musharaka

Note

(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- (Rupees) -----	
342,280,552	359,313,371
2,012,225,743	1,578,611,124
2,326,564,458	2,164,116,759
4,681,070,753	4,102,041,254
3,693,976	3,683,790
13,614,233	23,267,047
55,640,830	69,657,946
72,949,039	96,608,783
(60,294,240)	(67,561,517)
4,693,725,552	4,131,088,520
4,820,565,820	4,269,915,921

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 effective rates ranging from 0% to 3% (June 30, 2023: 18.32% to 25.17%) per annum and are repayable on monthly basis over a maximum period of 20 years (June 30, 2023: 20 years). The maximum aggregate amount due from officers and employees at any time during the period calculated by reference to month-end balance is Rs. 139.563 million (June 30, 2023: Rs. 145.127 million). During the period, management altered its staff policy, accepting profits from employees ranging from 0% to 3%. However, in the previous period, management imposed a profit margin of 18% to 21%, which was then refunded to employees in the form of salary adjustments.

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. 16.694 million (June 30, 2023: 25.608 million), Rs. 15.385 million (June 30, 2023: Rs. 18.164 million) and Rs. 0.366 million (June 30, 2023: Rs. 0.601 million) respectively. These are secured against Diminishing Musharaka assets.

8.2 Reconciliation of carrying amounts of finance provided to employees and officers under Diminishing Musharaka arrangement

Note

(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- (Rupees) -----	
138,827,401	89,329,682
4,970,284	88,075,914
(16,957,417)	(38,578,195)
126,840,268	138,827,401

Opening balance

Disbursements during the period / year

Receipts during the period / year

Closing balance

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
8.3 Movement in provision against Diminishing Musharaka Note (Rupees)	
Opening balance	67,561,517	89,189,561
Reversal for the period / year - net	(7,267,277)	(21,628,044)
Closing balance	<u>60,294,240</u>	<u>67,561,517</u>

8.4 Break-up of Diminishing Musharaka between long-term and current portion

Current portion of diminishing musharaka	1,431,780,868	1,385,236,732
Less: provision held	(49,987,772)	(63,434,137)
	<u>1,381,793,096</u>	<u>1,321,802,595</u>
Long-term portion of diminishing musharaka	3,449,079,192	2,952,240,706
Less: provision held	(10,306,468)	(4,127,380)
	<u>3,438,772,724</u>	<u>2,948,113,326</u>

8.5 During the period, the Modaraba has not availed the benefit of forced sales value of assets held as collateral against non-performing diminishing musharika as allowed under the Modaraba Regulations, 2021 issued by the SECP.

8.6 Diminishing Musharaka includes Rs. 72.949 million (June 30, 2023: Rs. 96.609 million) which have been placed under non-performing status.

8.7 Diminishing Musharaka (other than Staff DM finances) carries profit at the rates ranging from 22.31% to 27.96% (June 30, 2023: 18.13% to 28.09%) per annum.

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
9. IJARAH ASSETS Note (Rupees)	
Ijarah contracts	9.1 & 9.2 <u>1,333,645,567</u>	<u>1,627,562,155</u>

9.1 During the nine months period ended March 31, 2024, additions amounting to Rs. 213.052 million (March 31, 2023: Rs. 415.045 million) and disposals amounting to Rs. 517.492 million (March 31, 2023: Rs. 344.309 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, 2024	(Un-audited) March 31, 2023
----- (Rupees) -----	

213,052,624	415,045,483
-	-
<u>213,052,624</u>	<u>415,045,483</u>
405,128,398	107,722,977
112,363,550	236,585,789
<u>517,491,948</u>	<u>344,308,766</u>

9.2 The Modaraba has entered into various Ijarah agreements for periods ranging from 2 to 6 years (June 30, 2023: 2 to 6 years). Security deposits ranging between 0% to 55% (June 30, 2023: 0% to 55%) are obtained at the time of disbursement. The rate of profit implicit in Ijarah finance ranges between 23.08% to 27.01% (June 30, 2023: 19.29% to 27.28%) per annum.

9.3 Ijarah includes Rs. 101.125 million (June 30, 2023: Rs. 40.095 million) which have been placed under non-performing status.

9.4 During the period, the Modaraba has not availed the benefit of forced sales value of assets held as collateral against non-performing Ijarah as allowed under the Modaraba Regulations, 2021 issued by the SECP.

10 TANGIBLE ASSETS

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
Note	----- (Rupees) -----	
Tangible assets in own use	10.1	<u>17,061,707</u>

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

	March 31, 2024 (Un-audited)				
	Tangible assets				
	Lease hold improve- ments	Furniture and fittings	Office equipment, appliances and computer systems	Motor vehicles	Total
	----- (Rupees) -----				
At July 01, 2023	12,198,211	8,279,748	38,494,154	6,520,400	65,492,513
Cost	(11,607,562)	(7,551,394)	(27,440,745)	(1,831,105)	(48,430,806)
Accumulated depreciation	590,649	728,354	11,053,409	4,689,295	17,061,707
Net book value					
Additions	660,906	487,658	4,003,058	-	5,151,622

March 31, 2024 (Un-audited)				
Tangible assets				Total
Lease hold improvements	Furniture and fittings	Office equipment, appliances and computer systems	Motor vehicles	
(Rupees)				
Disposals				
Cost	-	(871,974)	-	(871,974)
Depreciation	-	866,035	-	866,035
	-	(5,939)	-	(5,939)
Depreciation charge for the period	(540,521)	(5,441,296)	(325,233)	(6,453,531)
Closing net book value	711,034	9,609,232	4,364,062	15,753,859
At March 31, 2024				
Cost	12,859,117	8,767,406	41,625,238	69,772,161
Accumulated depreciation	(12,148,083)	(7,697,875)	(32,016,006)	(54,018,302)
Net book value	711,034	1,069,531	9,609,232	15,753,859
Depreciation rate (% per annum)	33%	15%	20% - 33.33%	20% - 25%

June 30, 2023 (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	-	-	2,054,010	6,469,500
Disposals				
Cost	-	(279,595)	(2,543,400)	(2,822,995)
Depreciation	-	127,432	2,543,400	2,670,832
	-	(152,163)	-	(152,163)
Depreciation charge for the year	(197,652)	(715,776)	(6,804,873)	(9,498,506)
Closing net book value	590,649	728,354	11,053,409	17,061,707
At June 30, 2023				
Cost	12,198,211	8,279,748	38,494,154	65,492,513
Accumulated depreciation	(11,607,562)	(7,551,394)	(27,440,745)	(48,430,806)
Net book value	590,649	728,354	11,053,409	17,061,707
Depreciation rate (% per annum)	20%	33.33%	20% - 33.33%	33.33%

		(Un-audited) March 31, 2024	(Audited) June 30, 2023
11 INTANGIBLE ASSETS	Note	(Rupees)	
Software	11.1	4,199,343	2,194,932
11.1 Opening balance			
Cost		33,785,274	31,770,056
Accumulated amortisation		(31,590,342)	(30,936,122)
Net book value		2,194,932	833,934
Additions during the period / year		3,361,456	2,039,788
Disposals			
Cost		-	(24,570)
Accumulated amortisation		-	4,095
		-	(20,475)
Amortisation charge for the period / year		(1,357,045)	(658,315)
Closing net book value		4,199,343	2,194,932
Amortisation rate (% per annum)		33.33%	33.33%
Closing balance			
Cost		37,146,730	33,785,274
Accumulated amortisation		(32,947,387)	(31,590,342)
Net book value		4,199,343	2,194,932
12 DEFERRED TAX ASSETS			
Deferred tax assets	12.1	135,500,761	118,347,633

12.1 Movement in temporary differences during the period:

	As at July 01, 2023	Recognised in P&L	Recognised in OCI	As at March 31, 2024
Deductible temporary differences on				
- Ijarah assets	99,740,516	15,936,080	-	115,676,596
- Tangible assets	5,086,633	258,898	-	5,345,531
- Intangible assets	13,520,484	(1,077,620)	-	12,442,864
- Others	-	2,035,770	-	2,035,770
	118,347,633	17,153,128	-	135,500,761
	118,347,633	17,153,128	-	135,500,761

13. TERM FINANCE ARRANGEMENTS

Note

Musharaka / Wakala finance
Less: current portion of term finance arrangements
Long-term portion of term finance arrangements

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
	1,113,596,390	1,650,009,856
	(624,199,044)	(1,146,247,638)
	<u>489,397,346</u>	<u>503,762,218</u>

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, 2024 (Un-audited)	As at June 30, 2023 (Audited)	During the period ended March 31, 2024 (Un-audited)	During the year ended June 30, 2023 (Audited)		September 30, 2023 (Un-audited)	June 30, 2023 (Audited)	As at March 31, 2024 (Un-audited)	As at June 30, 2023 (Audited)	
(Rupees)										
Bank Alfalah Limited	-	87,500,000	0.6345-0.6414	0.4458-0.6159	Quarterly	3 years	3 years	-	87,500,000	
Allied Bank Limited	800,000,000	800,000,000	0.6016-0.6411	0.4458-0.6159	Quarterly	5 years	3-5 years	273,049,068	516,361,991	
Pakistan Mortgage Refinance Company Limited	215,547,322	246,147,865	0.5633-0.5962	0.3658-0.5633	Quarterly	5 years	5 years	215,547,322	246,147,865	
Meezan Bank Limited	437,500,000	500,000,000	0.6219-0.6400	0.4405-0.6219	Quarterly	5 years	1 year	468,750,000	500,000,000	
United Bank Limited	187,500,000	300,000,000	0.5803-0.6471	0.4436-0.6178	Quarterly	3 years	3 years	187,500,000	300,000,000	
								<u>1,113,596,390</u>	<u>1,650,009,856</u>	

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 20.56% to 23.62% (June 30, 2023: 20.56% to 22.70%) per annum.

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There were no contingencies outstanding as at March 31, 2024 and June 30, 2023.

14.2 Commitments

There were no commitments outstanding as at March 31, 2024 (June 30, 2023: the Modaraba has issued letters of comfort amounting to Rs. 83.80 million issued to Habib Metropolitan Bank Limited on behalf of M/s. Pharmatec Pakistan (Private) Limited).

15 FINANCIAL AND OTHER CHARGES

	(Un-audited) Nine months period ended March 31, 2024	(Un-audited) Nine months period ended March 31, 2023
Profit on redeemable capital	507,826,658	308,980,091
Profit on term finance arrangements	229,074,443	232,883,005
Commission	22,888,727	17,759,436
Unwinding of security deposits	33,765,695	27,269,821
Bank charges	544,084	599,697
	<u>794,099,607</u>	<u>587,492,050</u>

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 nine months period ended March 31, 2024 has been recognised at 10% (June 30, 2023: 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 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. Subsequently the Modaraba paid PKR 3.092 million and PKR 1.999 during the financial years 2022-2023 and 2023-24 respectively calculated on a proportionate basis. However, the management has provided for full amount of WWF liability for the period from January 01, 2014 to March 31, 2024 in these condensed interim financial statements on a prudent basis.

19. TAXATION

- Current
- Deferred

(Un-audited) Nine months period ended March 31, 2024	(Un-audited) Nine months period ended March 31, 2023
----- (Rupees) -----	
68,178,263	39,448,830
(17,153,128)	(9,803,167)
<u>51,025,135</u>	<u>29,645,663</u>

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, 2024 and June 30, 2023 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, 2024	(Un-audited) Nine months period ended March 31, 2023
	(Rupees)	
OLP Financial Services Pakistan Limited (formerly ORIX Leasing Pakistan Limited) - Holding Company of the Management Company		
Dividend	9,076,706	9,076,706
Allocated cost to the Modaraba for Islamabad office	510,611	458,230
OLP Services Pakistan (Private) Limited (formerly ORIX Services Pakistan (Private) Limited) - Management Company		
Management Company's remuneration	19,341,684	12,815,800
Dividend	9,076,706	9,076,706
Rent reimbursement	7,615,294	3,498,120
Staff retirement benefits funds		
Contribution made to OLP Modaraba - Staff Provident Fund	5,072,940	4,391,624
Contribution made to OLP Modaraba - Staff Gratuity Fund	4,225,676	3,658,219
Reimbursement from OLP Modaraba - Staff Gratuity Fund	607,607	1,137,511
The Patients' Behbud Society for AKU - Associate		
Donation paid by the Modaraba	2,000,000	1,000,000
Layton Rahmatulla Benevolent Trust Hospital - Associate		
Donation paid by the Modaraba	2,000,000	1,000,000
Directors of the Management Company		
Dividend paid during the period	212,098	212,098

	(Un-audited) Nine months period ended March 31, 2024	(Un-audited) Nine months period ended March 31, 2023
Key management personnel		
Salaries and benefits	49,790,056	46,986,685
Contribution to the staff provident fund	1,771,842	1,620,185
Contribution to the staff gratuity fund	1,475,940	1,349,610
Reimbursement from the staff gratuity fund	-	936,242
Income on Diminishing Musharaka arrangements	3,788,917	6,139,477
Profit on redeemable capital for the period	6,383,380	2,135,833
Redeemable capital issued (net off redemption)	13,200,000	18,000,000
No. of persons	7	7
 (Rupees)	
21.2 Balances outstanding as at period / year end (other than disclosed in respective notes)	(Un-audited) March 31, 2024	(Audited) June 30, 2023
 (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, 2023: 4,538,353)]	45,383,530	45,383,530
OLP Services Pakistan (Private) Limited (formerly ORIX Services Pakistan (Private) Limited) - Management Company		
Certificate capital [Certificates held: 4,538,353 (June 30, 2023: 4,538,353)]	45,383,530	45,383,530
Remuneration payable to the Management company	19,341,684	12,521,234
Payable against rent reimbursement	2,645,046	7,916,823
Directors of the Management Company		
Certificate capital [Certificates held: 106,049 (June 30, 2023: 106,049)]	1,060,490	1,060,490
Key management personnel		
Accrued profit on finances under Diminishing Musharaka	14,529	605,341
Profit payable on redeemable capital	6,571,808	2,660,536
Redeemable capital [Certificates held: 63 (June 30, 2023: 50)]	41,650,000	28,450,000

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, 2024 (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 measured at fair value								
Investments	140,714,870	-	-	140,714,870	-	140,714,870	-	140,714,870
Financial assets not measured at fair value								
Cash and bank balances	-	-	522,148,550	522,148,550	-	-	-	-
Ijarah rentals receivable	-	-	78,355,129	78,355,129	-	-	-	-
Investments	140,714,870	-	-	140,714,870	-	140,714,870	-	140,714,870
other receivables	-	-	86,041,231	86,041,231	-	-	-	-
Diminishing Musharaka	-	-	4,820,565,820	4,820,565,820	-	-	-	-
Total	281,429,740	-	5,507,110,730	5,788,540,470	-	281,429,740	-	281,429,740
Financial liabilities not measured at fair value								
Term finance arrangements	-	-	1,113,596,390	1,113,596,390	-	-	-	-
Security deposits	-	-	356,538,932	356,538,932	-	-	-	-
Creditors, accrued and other liabilities	-	-	347,121,804	347,121,804	-	-	-	-
Redeemable capital	-	-	3,985,785,000	3,985,785,000	-	-	-	-
Unclaimed profit distribution	-	-	61,876,759	61,876,759	-	-	-	-
Advance Ijarah rentals received	-	-	11,900,759	11,900,759	-	-	-	-
Total	-	-	5,876,819,644	5,876,819,644	-	-	-	-

As at June 30, 2023 (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 measured at fair value								
Investments	123,858,681	-	-	123,858,681	-	123,858,681	-	123,858,681
Financial assets not measured at fair value								
Cash and bank balances	-	-	400,254,200	400,254,200	-	-	-	-
Ijarah rentals receivable	-	-	103,759,046	103,759,046	-	-	-	-
Advances, deposits and other receivables	-	-	82,620,089	82,620,089	-	-	-	-
Diminishing Musharaka	-	-	4,269,915,921	4,269,915,921	-	-	-	-
Total	123,858,681	-	4,856,549,256	4,980,407,937	-	123,858,681	-	123,858,681
Financial liabilities not measured at fair value								
Term finance arrangements	-	-	1,650,009,856	1,650,009,856	-	-	-	-
Security deposits	-	-	388,269,302	388,269,302	-	-	-	-
Creditors, accrued and other liabilities	-	-	361,027,908	361,027,908	-	-	-	-
Redeemable capital	-	-	2,896,605,000	2,896,605,000	-	-	-	-
Unclaimed profit distribution	-	-	59,295,174	59,295,174	-	-	-	-
Total	-	-	5,355,207,240	5,355,207,240	-	-	-	-

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, 2024, there were only two (June 30, 2023: 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, 2023: 10% and 10%) respectively.

24 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise of the following amounts appearing on the Statement of Financial Position

(Un-audited) Nine months period ended March 31, 2024	(Un-audited) Nine months period ended March 31, 2023
.....(Rupees).....	

Cash and bank balances

522,148,550	244,339,343
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25 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.

26 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on **April 24, 2024** by the Board of Directors of the Management Company.

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

SD Chief Executive	SD Director	SD Director	SD Chief Financial Officer
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OLP

OLP Modaraba
(Formerly ORIX Modaraba)

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