

Networking Across the Country

ISLAMABAD

LAHORE

KARACHI



Third Quarter  
Report  
2012-2013

FAISALABAD

MULTAN

HYDERABAD

SIALKOT

PESHAWAR

ORIX LEASING PAKISTAN LIMITED

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### Board of Directors

Mr. Kunwar Idris	Chairman
Mr. Shahid Aziz Siddiqui	Nominee of State Life Insurance Corporation of Pakistan
Mr. Harukazu Yamaguchi	Non Executive Director
Mr. Humayun Murad	Non Executive Director
Mr. Shahid Usman	Non Executive Director
Mr. Shaheen Amin	Non Executive Director
Mr. Kazuhito Inoue	Non Executive Director
Mr. Teizoon Kisat	Chief Executive

### Audit Committee

Mr. Shahid Usman	Chairman
Mr. Shahid Aziz Siddiqui	Member
Mr. Shaheen Amin	Member
Mr. Kazuhito Inoue	Member

### Credit Committee

Mr. Shaheen Amin	Member
Mr. Teizoon Kisat	Member
Mr. Ramon Alfrey	Member
Mr. Amjad Iqbal	Member

### Human Resource and Remuneration Committee

Mr. Shahid Aziz Siddiqui	Chairman
Mr. Kazuhito Inoue	Member
Mr. Teizoon Kisat	Member

### Chief Financial Officer

Mr. Ramon Alfrey
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### Company Secretary

Ms. Effat Assad
-----------------

### Head of Internal Audit & Secretary to Audit Committee

Ms. Maryam Aziz
-----------------

### Head of Credit

Mr. Amjad Iqbal
-----------------

### Banks and Lending Institutions

Allied Bank Limited	JS Bank Limited
Bank Alfalah Limited	National Bank of Pakistan
Bank Islami Pakistan Limited	Pak-Iran Joint Investment Company Limited
Citibank N.A.	Pakistan Poverty Alleviation Fund
Citibank Japan Limited	Pak Brunei Investment Company Limited
ECO Trade & Development Bank, Turkey	Standard Chartered Bank (Pakistan) Limited
Faysal Bank Limited	Standard Chartered Sadiq
HSBC Bank Middle East Limited	The Bank of Tokyo - Mitsubishi UFJ, Limited
ING Bank Limited, Japan Branch	United Bank Limited
International Finance Corporation	

## Auditors

A. F Ferguson & Co. Chartered Accountants

## Shariah Advisor

Mufti Ibrahim Essa

## Legal Advisors

M/s Mansoor Ahmad Khan & Co.

M/s Walker Martineau & Saleem

## Registrar and Share Transfer Office

THK Associates (Private) Limited

Ground Floor, State Life Building No. 3

Dr. Ziauddin Ahmed Road, Karachi-75530

## Registered Office

Islamic Chamber of Commerce Building, Ground Floor,

ST - 2/A, Block 9, KDA Scheme No. 5, Clifton, Karachi - 75600

## Head Office

ORIX Building, Plot No. 16, Sector No. 24,

Korangi Industrial Area, Karachi- 74900

## Credit Rating by the Pakistan Credit Rating Agency

Long term entity rating	AA+
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Short term entity rating	A1+
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Term Finance Certificates, Secured	AA+
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## Parent Company

### ORIX CORPORATION

World Trade Center Building

2-4-1 Hamamatsu-cho

Minato-ku, Tokyo 105-6135, Japan

Tel: 81-3-5419-5042 Fax: 81-3-5419-5901

## Associated Companies

### Overseas Joint Ventures

Oman ORIX Leasing Company SAOG

P. O. Box 106  
Postal Code 118, Muscat  
Sultanate of Oman  
Tel: (968) 24661900  
Fax: (968) 24565610, 24567940  
www.omanorix.com

### ORIX Leasing Egypt SAE

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

### Saudi ORIX Leasing Company

P.O. Box 22890, Riyadh 11416  
343 Al Ma'ather Street, Riyadh  
Kingdom of Saudi Arabia.  
Tel: (9661) 2997777  
www.saudi.orix.com.sa

### MAF ORIX Finance PJSC

Office Nos. 101-104, First Floor  
City Avenue Building, Deira Dubai  
P.O. Box 22600, Dubai  
United Arab Emirates  
Tel: (009714) 2364343  
Fax: (009714) 2364455  
www.maforix.ae

### SK Leasing JSC

136 Dostyk Ave,  
Almaty, 050051, ("RFCA" BC, 8th Floor)  
Republic of Kazakhstan  
Tel: 7(727) 2507979  
Fax: 7(727) 2718545  
www.leasing.kz

### Joint Venture in Pakistan

OPP (Private) Limited  
42, E/1, Gulberg III  
Lahore  
Tel: (042) 35777820-1, 35777820-21  
Fax: (042) 35777819  
www.orixproperties.com



The Directors of ORIX Leasing Pakistan Limited (the Company) take pleasure in presenting the unaudited condensed financial statements for the nine months ended March 31, 2013.

Considering the market conditions the Company continued its strategy of focusing on its core business of providing credit to the financially stable small and medium sector. Credit quality was given precedence over volume, yet disbursements during the period increased to Rs. 6.4 billion from Rs. 5.3 billion in the comparative period last year.

Profit after tax for the period ended March 31, 2013 increased by 84% to Rs. 237 million compared to Rs. 129 million in the same period last year. The growth in profit is largely driven by improved margins. Earnings per share more impressively rose to Rs. 2.88 (March 2012: Rs. 1.57).

Revenues at Rs. 2.59 billion were 5% higher than the comparative period. Finance lease rates were slightly lower due to reduction in KIBOR which resulted in lease income of Rs. 1.42 billion being 6% lower than Rs. 1.51 billion recorded in the same period last year. However, higher operating lease income and strong contribution from term financing segment compensated for the reduction in lease income.

Financial costs at Rs. 1.27 billion were 9% lower than Rs. 1.40 billion reflecting both a reduction in KIBOR rates and tighter control over liquidity. The Company's funding position is comfortable and its Certificates of Deposit portfolio is growing steadily. Renewed support from banks and financial institutions also strengthened the funding position.

Administrative and general expenses amounted to Rs. 513 million (March 2012: Rs. 421 million). The 22% increase was mainly due to salary increases and higher advertising cost. Direct cost of leases, which primarily relates to the operating lease business, was higher at Rs. 345 million (March 2012: Rs. 316 million) in proportion to higher revenue in this segment.

The Company's associates continued their steady growth and share in associates profits increased to Rs. 118 million from Rs. 93 million recorded in the first nine months of fiscal 2012.

Barring any unforeseen adverse events, the management is confident that the growth momentum achieved in the first nine months will continue in the last quarter of the year.



On Behalf of the Board

A handwritten signature in black ink, appearing to read "Teizoon Kisat".

**Teizoon Kisat**  
Chief Executive

Dated: April 25, 2013

# Condensed Interim Balance Sheet

As at March 31, 2013

	Note	31 March 2013 (Un-audited)	30 June 2012 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	1,487,412,722	1,341,222,314
Intangible assets	6	91,605,808	103,400,657
Net investment in finance leases and instalment loans	7	16,194,744,633	16,000,021,122
Less: Current maturity		7,193,941,724	7,445,530,037
Less: Provision for potential lease and instalment loan losses		796,276,184	714,915,974
		7,990,217,908	8,160,446,011
		8,204,526,725	7,839,575,111
Long term investments	8	1,811,878,667	1,585,628,740
Long term finances and loans		741,673,555	757,129,221
Long term deposits		13,664,914	13,767,914
		12,350,762,391	11,640,723,957
<b>Current assets</b>			
Short term finances		254,961,220	228,422,241
Accrued return on investments and term loans		36,864,321	15,530,539
Current maturity of non-current assets	9	8,389,902,208	8,377,662,787
Short term investments	10	828,322,574	737,619,471
Taxation - net		69,347,714	49,129,572
Advances and prepayments		90,321,998	103,089,324
Other receivables		389,587,067	495,006,915
Cash and bank balances		97,977,005	336,372,619
Assets classified as held for sale		12,947,627	13,096,354
		10,170,231,734	10,355,929,822
<b>Total Assets</b>	Rupees	<b>22,520,994,125</b>	<b>21,996,653,779</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital			
350,000,000 (June 2012: 350,000,000)			
Ordinary shares of Rs.10 each	Rupees	3,500,000,000	3,500,000,000
Issued, subscribed and paid-up-capital		820,529,300	820,529,300
Reserves		1,779,020,719	1,555,635,712
		2,599,550,019	2,376,165,012
Surplus on revaluation of leasehold land and office building		83,568,866	85,044,713
<b>Non-current liabilities</b>			
Long term finances	11	3,189,247,409	2,273,603,118
Long term loans	12	877,956,287	1,938,186,558
Long term certificates of deposit		3,778,918,427	2,272,541,812
Long term deposits		4,069,972,324	3,585,739,883
Deferred taxation		334,111,802	284,302,452
		12,250,206,249	10,354,373,823
<b>Current liabilities</b>			
Trade and other payables		475,746,936	291,026,309
Accrued interest / mark-up on loans and term finances		481,982,761	542,826,711
Short term borrowings	13	756,045,863	946,741,568
Short term certificates of deposit		967,371,880	956,842,830
Current maturity of non-current liabilities	14	4,906,521,551	6,443,632,813
		7,587,668,991	9,181,070,231
<b>Total equity and liabilities</b>	Rupees	<b>22,520,994,125</b>	<b>21,996,653,779</b>
Contingencies and commitments	15		

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

  
**Teizoon Kisat**  
 Chief Executive

  
**Humayun Murad**  
 Director



# Condensed Interim Profit & Loss Account (Unaudited)

For the nine months period ended  
March 31, 2013

	Note	Nine months period ended		Quarter ended	
		31 March 2013	31 March 2012	31 March 2013	31 March 2012
<b>INCOME</b>					
<b>Income from operations</b>					
Finance leases and instalment loans	16	1,422,946,875	1,514,312,558	467,827,718	491,171,628
Operating leases		607,884,476	531,354,488	201,084,873	175,244,054
Mark-up on term / factoring finance		287,537,302	151,812,879	101,741,881	61,029,624
		2,318,368,653	2,197,479,925	770,654,472	727,445,306
<b>Income from other operating activities</b>					
Other income - net		155,362,600	182,460,630	58,586,247	72,202,318
Share of profit of equity accounted undertakings	17	117,736,706	92,881,386	45,379,884	25,401,206
		273,099,306	275,342,016	103,966,131	97,603,524
<b>TOTAL INCOME</b>		2,591,467,959	2,472,821,941	874,620,603	825,048,830
<b>EXPENSES</b>					
Finance costs	18	1,267,914,680	1,401,124,609	400,381,181	453,033,965
Administrative and general expenses		513,391,463	421,401,581	174,810,056	139,311,145
Direct cost of leases		344,586,997	315,992,077	114,496,966	107,390,180
		2,125,893,140	2,138,518,267	689,688,203	699,735,290
		465,574,819	334,303,674	184,932,400	125,313,540
Provision for potential lease, instalment and other loan losses - net					
		150,991,849	148,490,369	52,454,767	55,505,101
Other Provisions - net	19	23,570,000	2,988,065	16,900,000	-
<b>Profit before tax</b>		291,012,970	182,825,240	115,577,633	69,808,439
Taxation - Current					
		13,500,000	22,500,000	4,500,000	7,500,000
- Deferred		41,000,000	31,486,309	20,000,000	10,500,000
		54,500,000	53,986,309	24,500,000	18,000,000
<b>Profit for the period</b>	Rupees	236,512,970	128,838,931	91,077,633	51,808,439
<b>Earnings per share - basic and diluted</b>	Rupees	2.88	1.57	1.11	0.63

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.



*Teizoon*

**Teizoon Kisat**  
Chief Executive

*Humayun*

**Humayun Murad**  
Director

	Nine months period ended		Quarter ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
<b>Profit for the period</b>	<b>236,512,970</b>	128,838,931	<b>91,077,633</b>	51,808,439
<b>Other comprehensive income</b>				
Exchange difference arising on translation of foreign associates - net of deferred tax	25,827,402	60,633,915	(244,579)	8,026,093
Unrealized gain/(loss) due to change in fair value of available for sale securities-net	1,579,699	(2,093,276)	206,622	1,443,500
Unrealized gain due to sale of available for sale securities transferred to profit and loss account	(1,757,418)	-	-	-
Impairment on available for sale securities transferred to profit and loss account	-	2,988,065	-	-
	(177,719)	894,789	206,622	1,443,500
Net gain on hedging instruments	82,031,214	66,019,049	116,325,412	107,042,457
	107,680,897	127,547,753	116,287,455	116,512,050
<b>Total comprehensive income for the period Rupees</b>	<b>344,193,867</b>	256,386,684	<b>207,365,088</b>	168,320,489

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.



**Teizoon Kisat**  
Chief Executive



**Humayun Murad**  
Director



# Condensed Interim Cash Flow Statement (Unaudited)

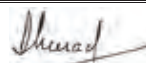
For the nine months period ended  
March 31, 2013

Note	31 March 2013	31 March 2012
<b>Cash flows from operating activities</b>		
<b>Profit before taxation</b>	<b>291,012,970</b>	<b>182,825,240</b>
<b>Adjustments for:</b>		
Depreciation and amortisation	162,955,618	148,067,002
Provision for potential lease, instalment and other loan losses - net	150,991,849	148,490,369
Provision for diminution in value of intangible assets	8,000,000	-
Provision for potential losses on investments	7,570,000	-
Provision for workers welfare fund	8,000,000	-
Share of profit of equity accounted undertakings	(117,736,706)	(92,881,386)
Gain on hedging instruments	(101,960,424)	(129,643,708)
Exchange loss	101,960,424	129,643,708
Interest / mark-up expenses	803,859,486	1,098,060,112
Impairment of assets	-	2,988,065
Amortisation of transaction costs	30,616,292	40,789,324
Profit on certificates of deposits	433,438,902	262,275,173
Dividend income	(3,863,907)	(5,375,436)
Return on investments and deposit	(66,588,826)	(89,629,718)
Gain on disposal of property, plant and equipment	(16,614,165)	(15,490,220)
	<b>1,400,628,543</b>	<b>1,497,293,285</b>
<b>Cash flows from operating activities before working capital changes</b>	<b>1,691,641,513</b>	<b>1,680,118,525</b>
<b>Movement in working capital</b>		
<b>(Increase) / decrease in operating assets</b>		
Advances and prepayments	12,767,326	(31,636,052)
Other receivables	800,971	330,228,616
Investment in finance leases and instalment loans - net	(235,320,321)	637,144,721
Long term finances and loans - net	(241,009,937)	(556,968,485)
Short term finances	(37,055,075)	14,720,834
Long term deposits	103,000	411,852
Investment in operating lease assets	(287,747,895)	(228,357,908)
Proceeds from sale of operating lease assets	25,410,000	17,850,000
	<b>(762,051,931)</b>	<b>183,393,578</b>
<b>Increase / (decrease) in operating liabilities</b>		
Trade and other payables	182,638,035	124,059,628
Deposits from lessees - net	284,751,200	116,332,434
Interest / mark-up paid	(949,889,832)	(1,264,793,107)
Profit paid on certificates of deposits	(348,252,506)	(248,240,882)
	<b>(830,753,103)</b>	<b>(1,272,641,927)</b>
Cash generated from operations	98,836,479	590,870,176
Income tax paid	(33,718,147)	(35,978,811)
<b>Net cash flows from operating activities</b>	<b>65,118,332</b>	<b>554,891,365</b>
<b>Cash flows from investing activities</b>		
Capital expenditure incurred	(45,459,763)	(38,499,087)
Proceeds from disposal of assets - own use	19,060,649	24,392,386
Investments - net	(202,729,022)	(592,160,158)
Dividend received	3,863,907	5,375,436
Interest received	80,355,251	89,639,886
<b>Net cash used in investing activities</b>	<b>(144,908,978)</b>	<b>(511,251,537)</b>
<b>Cash flows from financing activities</b>		
Proceeds from long term loans and finances	2,517,910,000	4,029,765,000
Short term borrowings - net	(250,000,000)	-
Certificates of deposits issued - net	1,480,933,324	930,435,933
Repayment of long term loans and finances	(3,844,874,921)	(4,062,741,455)
Dividend paid	(121,877,666)	(81,302,059)
<b>Net cash (used in) / from financing activities</b>	<b>(217,909,263)</b>	<b>816,157,419</b>
Net (decrease) / increase in cash and cash equivalents	(297,699,909)	859,797,247
Cash and cash equivalents at beginning of the period	139,631,051	(116,398,284)
Cash and cash equivalents at end of the period	<b>(158,068,858)</b>	<b>743,398,963</b>

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.



**Teizoon Kisat**  
Chief Executive



**Humayun Murad**  
Director

# Condensed Interim Statement of Changes in Equity (Unaudited)

For the nine months period ended  
March 31, 2013

	Issued, subscribed and paid-up capital	Reserves							Total shareholders equity
		Share premium	Statutory reserve	General reserve	Unappropriated profit/ (accumulated loss)	Unrealised (losses)/ gains on investment	Hedging reserve	Foreign currency translation reserve	
<b>Balance as at July 01, 2011</b>	<b>Rupees</b>	820,529,300	448,603,499	653,900,000	210,000,000	(39,873,544)	2,218,268	(173,458,777)	2,160,686,576
Total comprehensive income for the nine months period ended March 31, 2012									
Profit for the period	-	-	-	-	128,838,931	-	-	-	128,838,931
<b>Other comprehensive income</b>									
Exchange difference arising on translation of foreign associates - net of deferred tax	-	-	-	-	-	-	-	60,633,915	60,633,915
Unrealized loss due to change in fair value of available for sale securities-net	-	-	-	-	-	(2,093,276)	-	-	(2,093,276)
Impairment on available for sale securities transferred to profit and loss account	-	-	-	-	-	2,988,065	-	-	2,988,065
Net gain on hedging instruments	-	-	-	-	-	-	66,019,049	-	66,019,049
	-	-	-	-	-	894,789	66,019,049	60,633,915	127,547,753
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	-	-	3,014,948	-	-	-	3,014,948
Cash dividend @ Re.1.00 per ordinary share of Rs. 10.00 each for the year ended June 30, 2011	-	-	-	-	(82,052,930)	-	-	-	(82,052,930)
<b>Balance as at March 31, 2012</b>	<b>Rupees</b>	820,529,300	448,603,499	653,900,000	210,000,000	9,927,405	3,113,057	(107,439,727)	2,338,035,279
<b>Balance as at July 01, 2012</b>	<b>Rupees</b>	820,529,300	448,603,499	694,900,000	210,000,000	41,964,798	7,893,733	(130,874,826)	2,376,165,012
Total comprehensive income for the nine months period ended March 31, 2013									
Profit for the period	-	-	-	-	236,512,970	-	-	-	236,512,970
<b>Other comprehensive income</b>									
Exchange difference arising on translation of foreign associates - net of deferred tax	-	-	-	-	-	-	-	25,827,402	25,827,402
Unrealized gain due to change in fair value of available for sale securities-net	-	-	-	-	-	1,579,699	-	-	1,579,699
Unrealized gain due to sale of available for sale securities transferred to profit and loss account	-	-	-	-	-	(1,757,418)	-	-	(1,757,418)
Net gain on hedging instruments	-	-	-	-	-	-	82,031,214	-	82,031,214
	-	-	-	-	-	(177,719)	82,031,214	25,827,402	107,680,897
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	-	-	2,270,535	-	-	-	2,270,535
Cash dividend @ Rs.1.50 per ordinary share of Rs. 10.00 each for the year ended June 30, 2012	-	-	-	-	(123,079,395)	-	-	-	(123,079,395)
<b>Balance as at March 31, 2013</b>	<b>Rupees</b>	820,529,300	448,603,499	694,900,000	210,000,000	157,668,908	7,716,014	(48,843,612)	2,599,550,019

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

  
**Teizooun Kisat**  
Chief Executive

  
**Humayun Murad**  
Director

  
ORIX

**1. LEGAL STATUS AND OPERATIONS**

ORIX Leasing Pakistan Limited (the Company) was incorporated in Pakistan as a private limited company on July 1, 1986 under the Companies Ordinance, 1984 and was converted into a public limited company on December 23, 1987. The Company is listed on Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the Company is situated at Islamic Chamber of Commerce Building, Clifton, Karachi. The Company is licensed to carry out leasing business as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulations) Rules 2003 issued by the Securities and Exchange Commission of Pakistan (SECP).

**2. BASIS OF PREPARATION**

- 2.1 This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP. Wherever the requirements differ, the requirements of the NBFC regulations, the NBFC Rules or the directives issued by SECP prevail.
- 2.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. This condensed interim financial information does not include all of the information required for a full set of financial statements and should be read in conjunction with the published financial statements of the Company for the year ended June 30, 2012.
- 2.3 This condensed interim financial information has been presented in Pakistani Rupees, which is the functional currency of the Company.
- 2.4 The comparative balance sheet presented in this condensed interim financial information has been extracted from the audited financial statements of the Company for the year ended June 30, 2012, whereas the comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from the unaudited condensed interim financial information for the nine months period ended March 31, 2012.
- 2.5 Amendments to certain existing standards and interpretations on approved accounting standards effective during the period are considered not to be relevant or did not have any significant effect on the Company's operations and are, therefore, not disclosed in this condensed interim financial information.

**3. SIGNIFICANT ACCOUNTING POLICIES / ESTIMATES**

- 3.1 The accounting policies adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the audited annual published financial statements of the Company for the year ended June 30, 2012.
- 3.2 The preparation of this condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the financial statements for the year ended June 30, 2012, except for the change described in note 3.4.
- 3.4 During the current period, the Company changed its estimate by reassessing the Residual value(RV) of communication equipment and reduced the RV from 3.5% to 0 %. Had the estimate in respect of RV not changed, the profit for the period would have been higher by Rs.7 million and carrying amount of the asset would have been higher by the same amount.

**4. RISK MANAGEMENT POLICIES**

The financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2012.

**5. PROPERTY, PLANT AND EQUIPMENT**

	31 March 2013 (Un-audited)	30 June 2012 (Audited)
-Own use	404,717,558	410,230,012
-Operating Lease	984,848,842	882,631,721
-Ijara Finance	97,846,322	48,360,581
Rupees	1,487,412,722	1,341,222,314

5.1 The following is a statement of cost of additions /transfers and disposals to/ from property, plant and equipment for the nine months period ended March 31, 2013.

	Own use		Operating lease assets		Assets under Ijara financing	
	Additions / Transfer	Disposals	Additions	Disposals / Transfer	Additions	Disposals
Generators	-	-	200,713,598	46,268,940	-	-
Leasehold improvements	1,986,666	-	-	-	-	-
Furniture, fittings and office equipment	2,897,829	26,217,302	-	-	-	-
Computers and accessories	4,033,407	2,940,549	-	-	-	-
Communication equipment	-	-	8,618,797	-	-	-
Vehicles	35,467,303	28,020,669	6,843,000	-	71,572,500	-
<b>March 31, 2013 Rupees</b>	<b>44,385,205</b>	<b>57,178,520</b>	<b>216,175,395</b>	<b>46,268,940</b>	<b>71,572,500</b>	<b>-</b>
March 31, 2012 Rupees	38,499,087	42,698,977	192,848,328	60,310,461	35,509,580	-

## 6. INTANGIBLE ASSETS

	Note	31 March 2013 (Un-audited)	30 June 2012 (Audited)
Membership Cards - at cost		64,750,000	64,750,000
Stock Exchange rooms - at cost		15,700,000	15,700,000
Computer software and license	6.1	19,155,808	22,950,657
		99,605,808	103,400,657
Less: Provision for diminution in value of intangible assets		8,000,000	-
	Rupees	91,605,808	103,400,657

6.1 Additions of Rs. 2.4 million (June 2012: Rs. 15.5 million) in respect of software were made during the period.

## 7. NET INVESTMENT IN FINANCE LEASES AND INSTALMENT LOANS

Instalment contract receivables	12,838,223,607	13,084,227,684
Residual value	5,549,582,294	5,260,964,143
Initial direct cost	12,564,457	23,195,270
	18,400,370,358	18,368,387,097
Less: Unearned finance income	2,205,625,725	2,368,365,975
	Rupees	16,194,744,633

## 8. LONG TERM INVESTMENTS

Long-term investments			
Related parties			
Investment in equity accounted undertakings		1,723,247,848	1,567,993,170
Others- Held to maturity investments			
Pakistan Investment Bonds (PIBs)	8.1	13,630,819	13,465,570
Term Finance Certificates (TFCs) - listed		100,000,000	-
Term Finance Certificates (TFCs) - unlisted		4,170,000	4,170,000
		117,800,819	17,635,570
Less: Provision for potential losses on investments		4,170,000	-
Less: Current maturity		25,000,000	-
	Rupees	1,811,878,667	1,585,628,740

8.1 This investment has been made as required under Regulation 14 (4) (i) of the Non Banking Finance Companies and Notified Entities Regulations, 2008 to maintain liquidity against certificates of deposit.

## 9. CURRENT MATURITY OF NON-CURRENT ASSETS

CURRENT MATURITY OF NON-CURRENT ASSETS			
Current maturity of :			
Net investment in finance leases and instalment loans		7,193,941,724	7,445,530,037
Long term investments		25,000,000	-
Long term finances and loans		1,170,960,484	932,132,750
	Rupees	8,389,902,208	8,377,662,787

## 10. SHORT TERM INVESTMENTS

Held to maturity investment			
Treasury bills	10.1	730,991,617	627,239,324
Certificates of deposit		3,919,361	5,006,602
Held for trading investment			
Ordinary shares		838,300	2,475,975
Term finance certificates		19,443,490	28,325,333
Units of close ended mutual funds		53,475,014	48,776,351
		73,756,804	79,577,659
Available-for-sale			
Ordinary shares		14,856,129	18,773,539
Units of close ended mutual funds		13,718,024	12,028,949
		28,574,153	30,802,488
Others			
Fund placements		1,848,424	2,361,184
Less: Provision for potential losses on investments		10,767,785	7,367,786
	Rupees	828,322,574	737,619,471

10.1 This investment has been made as required under Regulation 14 (4) (i) of the Non Banking Finance Companies and Notified Entities Regulations, 2008 to maintain liquidity against certificates of deposit.

#### 11. LONG TERM FINANCES - secured

	31 March 2013 (Un-audited)	30 June 2012 (Audited)
Long term finances utilised under mark-up arrangements - financial institutions	4,747,916,671	3,137,500,002
Term Finance Certificates - Listed	500,000,000	800,000,000
Term Finance Certificates - Unlisted	-	1,666,666,662
	5,247,916,671	5,604,166,664
<b>Less: Unamortised transaction cost in respect of:</b>		
Long term finances utilised under mark-up arrangements	19,288,642	20,684,134
Term Finance Certificates	1,880,620	5,712,751
	21,169,262	26,396,885
<b>Less: Current maturity</b>		
Long term finances utilised under mark-up arrangements	1,637,500,000	1,237,499,999
Term Finance Certificates	400,000,000	2,066,666,662
	2,037,500,000	3,304,166,661
	2,058,669,262	3,330,563,546
Rupees	3,189,247,409	2,273,603,118

#### 12. LONG TERM LOANS

Name of lending institution	Commencement of repayment	Mode of Loan repayment	Rate (%)	31 March 2013 (Un-audited)	30 June 2012 (Audited)
<b>Secured</b>					
International Finance Corporation	July 15, 2008	11 equal semi annual instalments after 24 months grace period	US\$ six month LIBOR+1.5%	151,918,146	438,043,672
Citibank Japan Limited, Syndicated Loan	January 31, 2008	14 equal semi annual instalments	US\$ six month LIBOR+0.675%	1,053,214,271	1,687,142,871
Pakistan Poverty Alleviation Fund	March 18, 2010	12 quarterly instalments	10.00%	-	25,510,748
Pakistan Poverty Alleviation Fund	March 28, 2012	04 quarterly instalments	KIBOR-2.0%	105,979,999	168,016,512
<b>Unsecured</b>					
ECO Trade and Development Bank	January 7, 2013	7 equal semi annual instalments	US\$ six month LIBOR+1.50%	842,571,428	944,800,000
Total long term loans				2,153,683,844	3,263,513,803
Less: Unamortised transaction cost				15,333,626	29,942,295
Less: Current maturity				1,260,393,931	1,295,384,950
Rupees				877,956,287	1,938,186,558

#### 13. SHORT TERM BORROWINGS

<b>From banking Companies- secured</b>		
Under mark-up arrangements	256,045,863	196,741,568
Short term loans	500,000,000	750,000,000
Rupees	756,045,863	946,741,568

#### 14. CURRENT MATURITY OF NON-CURRENT LIABILITIES

<b>Current maturity of:</b>		
Long term finances	2,037,500,000	3,304,166,661
Long term loans	1,260,393,931	1,295,384,950
Long term certificates of deposit	154,572,436	190,544,777
Long term deposits	1,454,055,184	1,653,536,425
Rupees	4,906,521,551	6,443,632,813

## 15. CONTINGENCIES AND COMMITMENTS

15.1 Finance lease and instalment loans contracts committed but not executed at the balance sheet date amounted to Rs. 10.96 million (June 30, 2012 : Rs. 61.05 million).

15.2 There were no changes in the status of contingencies as disclosed in the note 29 to the financial statements for the year ended June 30, 2012.

## 16. INCOME FROM FINANCE LEASES AND INSTALMENT LOANS

	For the nine months period ended 31 March 2013 (Un-audited)	31 March 2012 (Un-audited)
Income from finance leases	1,422,816,018	1,513,835,082
Income from instalment loans	130,857	477,476
Rupees	1,422,946,875	1,514,312,558

## 17. SHARE OF PROFIT OF EQUITY ACCOUNTED UNDERTAKINGS

Name of associates	For the nine months period ended March 31, 2013 (Un-audited)		For the nine months period ended March 31, 2012 (Un-audited)	
	Associates' profit / (loss) after tax	Share of associates' profit / (loss) after tax	Associates' profit / (loss) after tax	Share of associates' profit / (loss) after tax
<b>Listed</b>				
Oman ORIX Leasing Company SAOG	624,281,016	72,676,923	504,125,327	58,688,759
	624,281,016	72,676,923	504,125,327	58,688,759
<b>Un-listed</b>				
Saudi ORIX Leasing Company	1,717,981,547	33,071,145	1,412,421,690	28,248,434
MAF ORIX Finance PJSC	474,686,387	14,240,592	248,870,318	7,466,110
SK Leasing JSC	(70,456,450)	(7,045,645)	(28,215,721)	(2,821,573)
ORIX Leasing Egypt SAE	44,344,242	10,199,176	74,935,860	17,235,248
OPP (Private) Limited	(12,012,189)	(5,405,485)	(35,412,427)	(15,935,592)
	2,154,543,537	45,059,783	1,672,599,720	34,192,627
Rupees	2,778,824,553	117,736,706	2,176,725,047	92,881,386

## 18. FINANCE COSTS

	For the nine months period ended 31 March 2013 (Un-audited)	31 March 2012 (Un-audited)
Interest / mark-up on:		
- Long term finances	465,154,193	725,823,969
- Long term loans	213,690,391	247,409,324
- Short term borrowings	108,195,867	107,246,877
Profit on certificates of deposit	433,438,902	262,275,173
Amortisation of transaction costs	30,616,292	40,789,324
Bank charges and commission	16,819,035	17,579,942
Rupees	1,267,914,680	1,401,124,609

## 19. OTHER PROVISIONS - NET

	For the nine months period ended 31 March 2013 (Un-audited)	31 March 2012 (Un-audited)
Provision for diminution in value of intangible assets	8,000,000	-
Provision for potential losses on investments	7,570,000	-
Provision for workers welfare fund	8,000,000	-
Impairment on available for sale securities	-	2,988,065
Rupees	23,570,000	2,988,065

## 20. SEGMENT INFORMATION

The Company has two primary reporting segments namely, 'Finance lease' and 'Operating lease', based on the nature of business and the related risks and returns associated with these segments. The finance lease operations are primarily for long term leases of movable assets to corporate entities and individuals, while under operating lease, the Company provides assets on short term rentals. Other operations, which are not deemed by management to be sufficiently significant to disclose as separate items and do not fall into the above segment categories, are reported under 'Others'.

	Finance Lease	Operating Lease	Others	Leasing Business	Investment Financial Services	Total
-----Rupees-----						
<b>Segment analysis for the nine months period ended 31 March 2013</b>						
Segment revenues	1,422,816,018	607,884,476	432,428,849	2,463,129,343	10,601,910	2,473,731,253
Share of profit of equity accounted undertakings	-	-	117,736,706	117,736,706	-	117,736,706
Total segment revenue	1,422,816,018	607,884,476	550,165,555	2,580,866,049	10,601,910	2,591,467,959
Administrative and general expenses	162,102,926	48,409,053	31,597,306	242,109,285	1,957,175	244,066,460
Direct cost of leases	6,705,005	337,881,992	-	344,586,997	-	344,586,997
Provision for potential lease, instalment and other loan losses - net	122,837,884	-	15,703,667	138,541,551	12,450,298	150,991,849
Other Provisions	-	-	2,570,000	2,570,000	13,000,000	15,570,000
Segment result	1,131,170,203	221,593,431	500,294,582	1,853,058,216	(16,805,563)	1,836,252,653
Provision for workers welfare fund	-	-	-	(8,000,000)	-	(8,000,000)
Unallocated expenses	-	-	-	(269,325,003)	-	(269,325,003)
Result from operating activities	-	-	-	1,575,733,213	(16,805,563)	1,558,927,650
Finance costs	-	-	-	(1,243,122,149)	(24,792,531)	(1,267,914,680)
Provision for taxation	-	-	-	(54,500,000)	-	(54,500,000)
Profit / (loss) for the period	-	-	-	278,111,064	(41,598,094)	236,512,970
<b>Segment Assets &amp; Liabilities</b>						
Segment assets	15,395,894,230	984,848,842	3,085,867,399	19,466,610,471	218,189,896	19,684,800,367
Investment in equity accounted undertakings	-	-	1,723,247,848	1,723,247,848	-	1,723,247,848
Unallocated assets	-	-	-	1,112,945,910	-	1,112,945,910
Total assets	-	-	-	22,302,804,229	218,189,896	22,520,994,125
Segment liabilities	5,524,027,508	-	-	5,524,027,508	218,189,896	5,742,217,404
Unallocated liabilities	-	-	-	14,095,657,836	-	14,095,657,836
Total liabilities	-	-	-	19,619,685,344	218,189,896	19,837,875,240
Capital expenditure	-	287,747,895	45,459,763	333,207,658	-	333,207,658
Depreciation and Amortisation	-	122,044,645	40,910,973	162,955,618	-	162,955,618
<b>Segment analysis for the nine months period ended 31 March 2012</b>						
Segment revenues	1,513,835,082	531,354,488	319,552,009	2,364,741,579	15,198,976	2,379,940,555
Share of profit of equity accounted undertakings	-	-	92,881,386	92,881,386	-	92,881,386
Total segment revenue	1,513,835,082	531,354,488	412,433,395	2,457,622,965	15,198,976	2,472,821,941
Administrative and general expenses	151,425,448	42,312,288	30,854,500	224,592,236	3,215,628	227,807,864
Direct cost of leases	8,498,797	307,493,280	-	315,992,077	-	315,992,077
Provision for potential lease, instalment and other loan losses - net	130,158,736	-	15,331,633	145,490,369	3,000,000	148,490,369
Other Provisions	-	-	1,878,065	1,878,065	1,110,000	2,988,065
Segment result	1,223,752,101	181,548,920	364,369,197	1,769,670,218	7,873,348	1,777,543,566
Unallocated expenses	-	-	-	(193,593,717)	-	(193,593,717)
Result from operating activities	-	-	-	1,576,076,501	7,873,348	1,583,949,849
Finance costs	-	-	-	(1,359,940,942)	(41,183,667)	(1,401,124,609)
Provision for taxation	-	-	-	(53,986,309)	-	(53,986,309)
Profit / (Loss) for the period	-	-	-	162,149,250	(33,310,319)	128,838,931
<b>Segment assets &amp; Liabilities for the year ended June 30, 2012</b>						
Segment assets	15,256,809,876	1,010,959,779	2,503,114,840	18,770,884,495	301,507,786	19,072,392,281
Investment in equity accounted undertakings	-	-	1,567,993,170	1,567,993,170	-	1,567,993,170
Unallocated assets	-	-	-	1,356,268,328	-	1,356,268,328
Total assets	-	-	-	21,695,145,993	301,507,786	21,996,653,779
Segment liabilities	5,238,251,308	-	-	5,238,251,308	301,507,786	5,539,759,094
Unallocated liabilities	-	-	-	13,995,684,960	-	13,995,684,960
Total liabilities	-	-	-	19,233,936,268	301,507,786	19,535,444,054
<b>Other information for the nine months period ended March 31, 2012</b>						
Capital expenditure	-	192,848,328	38,499,087	231,347,415	-	231,347,415
Depreciation and Amortisation	-	109,379,220	38,687,782	148,067,002	-	148,067,002



## 21. TRANSACTIONS WITH RELATED PARTIES

The following table provides the detail of transactions which have been entered into with related parties. Transactions with related parties are made at normal market prices. Transactions with key management personnel are in accordance with terms and conditions of their employment contracts.

	For the nine months period ended	
	31 March 2013 (Un-audited)	31 March 2012 (Un-audited)
	Rupees	
<b>ORIX Corporation, Japan</b>		
Controlling entity		
Dividend Paid	61,037,759	40,691,839
<b>Oman ORIX Leasing Company SAOG</b>		
Associated undertaking		
Consultancy charges received	7,645,137	-
<b>OPP (Private) Limited</b>		
Associated undertaking		
Rent paid for service apartment	297,540	52,650
<b>Hino Pak Motors Limited</b>		
Common directorship		
Purchases made	313,492,000	325,487,000
<b>National Bank of Pakistan</b>		
Common directorship		
Loan principal repayment	93,750,000	93,750,000
Loan interest paid	32,629,110	51,707,466
<b>State life Insurance Corporation of Pakistan</b>		
Common directorship		
Rent & Premium payments	12,402,798	12,004,353
<b>Sui Southern Gas Company Limited</b>		
Common directorship		
Utilities bills payment	-	1,306,120
<b>ORIX Leasing Pakistan Limited - Employees Provident Fund (OLP-EPF)</b>		
TFC principal repayment	21,526,667	18,286,666
TFC interest paid	2,738,772	6,175,249
Contribution made	12,653,852	11,116,308
<b>ORIX Leasing Pakistan Limited - Staff Gratuity Fund (OLP-SGF)</b>		
TFC principal repayment	2,460,000	820,000
TFC interest paid	549,387	945,790
Contribution made	9,000,000	-
<b>Balances</b>		
Loan outstanding- National Bank of Pakistan	375,000,000	562,500,000
Accrued markup- National Bank of Pakistan	15,201,672	27,359,998
OLP - EPF investment in OLP's TFC	8,100,000	31,246,667
OLP - EPF accrued markup on OLP's TFC	7,776	-
OLP - SGF investment in OLP's TFC	4,100,000	7,380,000
OLP - SGF accrued markup on OLP's TFC	3,936	-
Contribution payable to OLP - EPF	-	2,503,730
Defined benefit payable to OLP - SGF	5,029,345	7,231,694
<b>Compensation of Key Management Personnel</b>		
Remuneration of executives	24,650,700	15,137,700
Retirement benefits	4,065,519	1,422,866
	28,716,219	16,560,566
<b>22. CASH AND CASH EQUIVALENT</b>		
Cash at bank	96,378,673	969,623,343
Cash in hand	1,598,332	1,465,448
	97,977,005	971,088,791
Short term borrowings from banks under mark-up arrangements - secured	(256,045,863)	(227,689,828)
	(158,068,858)	743,398,963

## 23. GENERAL

23.1 Figures have been rounded off to the nearest rupee.

23.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. The following has been reclassified during the current period.

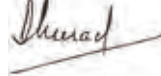
Description	Reclassified from	Classified to	Nine months ended March 31, 2012
Ijarah income reclassified from other income to operating leases	Other income - net	Operating Leases	7,592,259
Diminishing Musharika income reclassified from other income to Mark-up on term / factoring finance	Other income - net	Mark-up on term / Factoring Finance	491,541

## 24. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 25, 2013 by the Board of Directors of the Company.



**Teizoon Kisat**  
Chief Executive



**Humayun Murad**  
Director



### Korangi Office

#### Head Office

Plot No 16, Sector 24,  
Korangi Industrial Area, Karachi  
Tel: 021-35144028-40  
Fax: 021-35144002, 35144020

UAN: 111-24-24-24  
E-mail: [olp@orixpakistan.com](mailto:olp@orixpakistan.com)  
Website: [www.orixpakistan.com](http://www.orixpakistan.com)

### Islamic Chamber Building

#### Registered Office

Plot No ST-2/A,  
Block 9, KDA Scheme No 5,  
Clifton, Karachi.  
Tel: 021-35303560-64  
Fax: 021-35303571

### E-Business Division

49 D, PECHS Block 6, Karachi  
UAN: 111-767-657  
Fax: 021-34376911

### Lahore

4-J, Gulberg-111,  
Near Firdous Market, Lahore  
Tel: 042-35842560-1, 35842171, 35842964  
Fax: 042-35845975, 35845974

### Shad Bagh

274-Shad Bagh, Lahore.  
Tel: 042-37613511  
Cell: 0323-4293204

### Batapur / Jallo More

Main G.T. Road, Batapur, Lahore  
Tel: 042-36584511

### Chunian

W-1 370/26, Shop RH,  
Cantt Road, Chunian  
Tel: 049-4014809

### Kot Abdul Malik

11 Kilometers, Lahore-Sheikhupura Road  
Kot Abdul Malik, Distt. Sheikhupura  
Tel: 042-7919722

### Renala Khurd

Ghalla Mandi, Opp. Zaka Hospital  
Renala Khurd, Distt. Okara  
Tel: 0442-635185

### District Kasur / Pattoki

Al Rehman Center, Main Multan Road, Pattoki  
Tel: 049-4420356, 4422064

### Manga Mandi

Main Multan Road, Madina Market,  
Kalma Chowk  
Tel: 0322-4669499

### Faisalabad

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

### Sargodha

A. R. Tower, Adjacent Q's International Hotel  
University Road, Sargodha  
Tel: 048-3729521  
Fax: 048-3729522

### Sahiwal

Near Five Ways Hotel, Five Ways Chowk  
Stadium Road, Sahiwal  
Tel: 040-4227613-5

### Jhang

Government Girls College Chowk Church  
Road, Civil Lines, Jhang  
Tel: 047-7650421  
Fax: 047-7650422

### Sialkot

1st Floor, Ghoolam Kadir Arcade  
Aziz Shaheed Road, Sialkot Cantt  
Tel: 052-4260767, 4260616, 4260877  
Fax: 052-4269548

### Gujrat

Office No. 1, First Floor, Empire Centre  
Opposite Factory Area Gate No. 1  
G.T. Road, Gujrat  
Tel: 053-3515282, 3536953  
Fax: 053-3536854

### Gujranwala

76-ABC, Block-P, Trust Plaza  
G.T. Road, Gujranwala  
Tel: 055-3731021-22  
Fax: 055-3731022

### Islamabad

Ground Floor, Phase 1  
State Life Building No. 5  
Nizamuddin Road  
Blue Area, Islamabad  
Tel: 051-2821706, 2821748, 2821960  
Fax: 051-2821917

### Rawalpindi

Plot No. 7-D 55 & 55-A  
2nd Floor, Green Building, Haider Road  
Saddar, Rawalpindi  
Tel: 051-5120070  
Fax: 051-5120071

### Mirpur A. K.

1st Floor, Jarral Plaza, 63/F, Sector F-1  
Kotli Road, Mirpur A. K  
Tel: 0300-5006188

### Chakwal

Ground & First floor, Opp. Saddar Police Station,  
Talagang Road, Chakwal  
Tel: 0543-543523

### Hyderabad

1st Floor, State Life Building  
Thandi Sarak, Hyderabad  
Tel: 022-2784143, 2720397  
Fax: 022-2781178

### Multan

Ground Floor, Trust Plaza, LMQ Road, Multan  
Tel: 061-4580435, 4518431-3  
Fax: 061-4580321

### Rahim Yar Khan

20-21, Ground Floor, City Centre Plaza  
Shahi Road, Rahim Yar Khan  
Tel: 068-588565  
Fax: 068-587610

### Bahawalpur

Ground Floor, Near Cantonment Office Board,  
Ahmed Pur East Road, Bahawalpur  
Tel: 0300-8680164

### Peshawar

Ground Floor, State Life Building  
The Mall, Peshawar  
Tel: 091-5279789, 5278647  
Fax: 091-5273389

### Abbottabad

Yousaf Jamal Plaza near HBL  
Mansehra Road, Abbottabad  
Tel: 0992-343888, 343188  
Fax: 0992-340370

### Mingora

Shop No. 7, Ground Floor,  
Shahzad Plaza, Saidu Road,  
Makan Bagh, Mingora Swat.  
Tel: (0946) 722620  
Cell: 0300-5749249

