

ORIX Leasing Pakistan Limited



**PASSION TO SUCCEED**

THIRD QUARTER REPORT 2015-16





# PASSION TO SUCCEED

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Over the last decade, ORIX Leasing Pakistan Limited has emerged as the largest leasing Company of Pakistan. This year, we manifest the indomitable spirit and unbridled enthusiasm of our organisation by using the image of a charging horse on the cover of our annual report. To us, this mighty creature underlines the valour and zeal through which we do our business, where no challenge is too unnerving, no goal is too far to reach. It is this progressive insight and solid dedication that has sustained our growth and fuelled our passion to succeed for all time to come.

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# Contents

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Corporate Information	2
Directors’ Review Report	4
Condensed Interim Balance Sheet	5
Condensed Interim Profit and Loss Account	6
Condensed Interim Statement of Comprehensive Income	7
Condensed Interim Cash Flow Statement	8
Condensed Interim Statement of Changes In Equity	9
Notes to and Forming Part of the Condensed Interim Financial Information	10
Offices In Pakistan	

# Corporate Information

## BOARD OF DIRECTORS

**Mr. Kunwar Idris**

Chairman

**Mr. Harukazu Yamaguchi**

Non Executive Director

**Ms. Nargis Ghaloo**

Non Executive Director

**Mr. Shahid Usman**

Independent Non Executive Director

**Mr. Kazuhito Inoue**

Non Executive Director

**Mr. Hiroshi Nishio**

Non Executive Director

**Mr. Takehisa Kaneda**

Non Executive Director

**Mr. Shaheen Amin**

Chief Executive

## AUDIT COMMITTEE

**Mr. Shahid Usman**

Chairman

**Mr. Harukazu Yamaguchi**

Member

**Mr. Kazuhito Inoue**

Member

## CREDIT COMMITTEE

**Mr. Shaheen Amin**

Member

**Mr. Ramon Alfrey**

Member

**Mr. Amjad Iqbal**

Member

## HUMAN RESOURCE AND REMUNERATION COMMITTEE

**Ms. Nargis Ghaloo**

Chairperson

**Mr. Harukazu Yamaguchi**

Member

**Mr. Kazuhito Inoue**

Member

**Mr. Shaheen Amin**

Member

## CHIEF FINANCIAL OFFICER

Mr. Ramon Alfrey

## COMPANY SECRETARY

Ms. Effat Assad

## HEAD OF INTERNAL AUDIT & SECRETARY TO AUDIT COMMITTEE

Ms. Maryam Aziz

## THE MANAGEMENT TEAM

**Mr. Amjad Iqbal**

General Manager - Credit

**Mr. Arshad Abbas**

General Manager - Commercial Vehicle

**Mr. Hiralal Bhargava**

General Manager - Treasury & Consumer Auto

**Mian Faysal Riaz**

General Manager - Corporate Lease

**Mr. Irfan Ahmed**

General Manager & Branch Controller  
(Northern Region)

**Mr. Ayub Khan**

General Manager - Special Assets  
Management and Administration

**Ms. Aseya Qasim**

General Manager - Micro Finance | Agri Lease

**Mr. Muhammad Kashif Yaqoob**

General Manager - Corporate, Planning &  
Communication

**Mr. Masood Ahmed Zia**

General Manager - Human Resource

**Mr. M. Ismail Khan**

Head - Business Control

**Mr. M. Moizuddin**

Head - Information Systems

**Mr. Shakir Vasi**

Head - Operating Lease

**Mr. Asad Ali Sheikh**

Head - Compliance

## SHARIAH ADVISOR

Mufti Ibrahim Essa

## 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+

Short term entity rating A1+

## BANKS AND LENDING INSTITUTIONS

AlBaraka Bank (Pakistan) Limited  
Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Al Habib Limited  
Bank Islami Pakistan Limited  
Bank of Khyber  
Burj Bank Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Bank Limited-Islamic Banking  
Habib Metropolitan Bank Limited  
JS Bank Limited  
National Bank of Pakistan  
NIB Bank Limited  
Pak China Investment Company Limited  
Pak Oman Investment Company Limited  
Standard Chartered Bank (Pakistan) Limited  
The Bank of Punjab  
The Bank of Tokyo - Mitsubishi UFJ, Limited  
United Bank Limited

## AUDITORS

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

## LEGAL ADVISORS

M/s Mansoor Ahmad Khan & Co.  
M/s Walker Martineau & Saleem

## REGISTRAR AND SHARE TRANSFER OFFICE

THK Associates (Private) Limited  
2nd Floor, State Life Building No.3  
Dr. Ziauddin Ahmed Road,  
Karachi - 75530

# Corporate Information

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## ORIX CORPORATION – Parent Company

Tokyo Headquarters, World Trade Center Building  
2-4-1 Hamamatsu-cho  
Minato-ku, Tokyo 105-6135, Japan  
Tel: (81)-3-3435-3145  
Fax: (81)-3-3435-3163  
[www.orix.co.jp](http://www.orix.co.jp)

## Associated Companies – Overseas Joint Ventures

**Oman ORIX Leasing Company SAOG**  
2nd & 3rd Floor, Rumaila 106, Watayah,  
P.O.Box 106, Postal code 118, Muscat  
Sultanate of Oman  
Tel: (968) 24661900  
Fax: (968) 24565610, 24567940  
[www.omanorix.com](http://www.omanorix.com)

**ORIX Leasing Egypt SAE**  
5th Floor, Cairo Center Building  
2, Abd El Kader Hamza Street  
Garden City, Cairo 11461, Egypt  
Tel: (202) 27922757-9  
Fax: (202) 27922760  
[www.orix-egypt.com](http://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  
Fax: (9661) 2997770  
[www.saudiorix.com.sa](http://www.saudiorix.com.sa)

**Al Hail ORIX Finance PSC**  
Office No. 403, Emaar Square Bldg. 6,  
Burj Khalifa, Dubai-UAE  
Tel: (971) 43691600  
Fax: (971) 44310623  
[www.alhailorix.ae](http://www.alhailorix.ae)

**SK Leasing JSC**  
136 Dostyk Ave,  
Almaty, 050051, ("RFCA" BC, 8th Floor)  
Republic of Kazakhstan  
Tel: 8 (727) 3130757, 7(727) 2507979  
Fax: 7(727) 3130748  
[www.leasing.kz](http://www.leasing.kz)

# Directors' Review Report

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The Board of Directors of ORIX Leasing Pakistan Limited (OLP / the Company) presents the unaudited condensed interim financial statements for the nine months ended March 31, 2016.

In the period under review, most national macroeconomic indicators continued to exhibit improvement. Lower oil prices are expected to keep downward pressure on inflation which remained under control at 4%. Reduced interest rates, improved law and order situation and enhanced business confidence is expected to generate more demand for credit.

The Company's core lease business showed strong growth during the period, however, for reasons detailed below, profit after tax in the nine month period under review was 5.4% lower at Rs. 473.4 million in comparison with Rs. 500.2 million in the same period last year. For the nine month period under review, earnings per share were Rs. 5.77 compared to Rs. 6.10 in the same period last year.

Prior period's profit included a one-time gain on disposal of investments of Rs. 75.7 million which was not available in the current period. Further, the Company's Operating lease business faced sharp decline in demand due to gas shortages and direct contribution (revenue minus direct cost) from this business segment was lower at Rs. 103 million compared to Rs. 152 million in the same period last year. In addition, OLP disposed of its e business segment during the period as this business was not aligned to the Company's strategic objective of concentrating on its core leasing business. As a consequence, the Company recorded a loss on discontinued operations of Rs. 11.8 million compared to a profit of Rs. 38.0 million in the comparative period last year.

Profit after tax for the quarter ended March 31, 2016 amounted to Rs. 148.5 million (March 2015: Rs. 178.3 million).

Business volume in the Company's core business of asset financing increased by a steady 12.4% to Rs. 10.9 billion compared to Rs. 9.7 billion in the similar period last year. Higher disbursements indicate strong demand for the Company's core business products. Improved disbursements resulted in a lease portfolio of Rs. 23.0 billion as at March 31, 2016; an increase of Rs. 2.2 billion over the past nine months.

Revenue from finance lease at Rs. 1.73 billion was 3.6% higher than Rs. 1.67 billion in the same period last year despite reduction in KIBOR by 1.62% between the two reporting dates. Steady increase in lease portfolio contributed to the higher earnings. Revenue from operating lease at Rs. 398 million was 22.7% lower than Rs. 515 million in the same period last year mainly due to sharp decline in demand for generators on short term rental due to gas shortages in the Country's North. The Company is actively exploring new avenues for improving generator deployment.

Finance cost for the nine month period decreased by 4.4% to Rs. 1.236 billion compared to Rs. 1.293 billion in the corresponding period last year. Decline in interest rates helped in containing finance cost.

Direct cost of leases primarily represents maintenance, insurance and depreciation on operating lease assets. Direct cost at Rs. 295.19 million was 18.7% lower than Rs. 363 million in the comparative period last year mainly due to reduced deployment of generators.

Administrative and general expenses amounted to Rs. 624 million (March 2015: Rs. 574 million). The increase of 8.7% is mainly due to increase in staff salaries.

Despite improvement in non performing portfolio, a provision of Rs. 73.9 million for potential lease losses was made during the period to ensure adequate coverage for the Company's lease / loan portfolio. Provision coverage ratio of 100% has been maintained for overdues over 90 days without taking forced sale values into account.

Mr. Teizoon Kisat retired as Chief Executive Officer (CEO) on January 31, 2016. The Board wishes to place on record its appreciation for Mr. Kisat's leadership under which the Company achieved significant growth in both profitability and financial strength.

Mr. Shaheen Amin was appointed as CEO of the Company effective February 1, 2016. Mr. Amin has been a Director on OLP's Board since June 2010. He has been associated with OLP since December 1986 and also served in the position of OLP's DMD. In 1993 he was deputed to Oman as founding CEO of Oman ORIX and in 2001 he took up the position of founding CEO of Saudi ORIX.

Looking forward, improved law and order conditions and renewed business confidence are positive aspects for further growth in demand for the Company's core business of lease financing and the Company expects improved performance in the last quarter of the financial year.

On behalf of the Board



**Shaheen Amin**  
Chief Executive

Dated: April 21, 2016

# Condensed Interim Balance Sheet

As at March 31, 2016

	Note	March 31, 2016 (Un-audited)	June 30, 2015 (Audited)
		Rupees	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	1,611,513,195	1,761,811,476
Intangible assets	6	11,506,156	8,631,456
Net investment in finance lease	7	23,032,325,596	20,823,948,377
Current maturity		(10,037,837,525)	(8,746,722,525)
Allowance for potential lease losses		(703,774,430)	(721,375,996)
		(10,741,611,955)	(9,468,098,521)
		12,290,713,641	11,355,849,856
Investment in associated undertakings		2,342,696,477	2,176,352,899
Long term investments	8	14,595,500	14,404,648
Long term finances and loans		1,195,655,626	879,256,372
Long term deposits		11,356,708	10,048,864
		17,478,037,303	16,206,355,571
<b>Current assets</b>			
Short term finances		255,746,777	407,365,321
Accrued return on investments and term finance		71,963,983	74,783,699
Current maturity of non-current assets	9	11,545,060,792	9,966,101,697
Short term investments	10	1,235,777,457	1,105,942,382
Advances and prepayments		51,887,551	46,986,270
Other receivables		60,691,838	74,513,043
Cash and bank balances		181,206,868	173,286,352
Taxation - net		169,455,093	171,010,858
		13,571,790,359	12,019,989,622
Assets classified as held for sale	11	98,500,677	91,302,209
<b>Total assets</b>		<b>31,148,328,339</b>	<b>28,317,647,402</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital			
350,000,000 (June 30, 2015: 350,000,000) Ordinary shares of Rs.10 each		3,500,000,000	3,500,000,000
Issued, subscribed and paid-up-capital		820,529,300	820,529,300
Reserves		2,786,323,752	2,616,491,028
		3,606,853,052	3,437,020,328
Surplus on revaluation of leasehold land and office building		110,533,167	112,009,008
<b>Non-current liabilities</b>			
Long term finances	12	4,817,379,581	4,707,563,110
Long term loans	13	-	-
Long term certificates of deposit		5,465,576,153	5,116,943,351
Long term deposits		5,836,988,409	5,238,768,218
Deferred taxation		514,941,668	453,715,266
Other long term liabilities		253,155,884	268,234,514
Post-employment benefits		-	849,197
		16,888,041,695	15,786,073,656
<b>Current liabilities</b>			
Trade and other payables		638,649,842	641,102,036
Accrued interest / mark-up on loans, term finances and certificates of deposit		276,564,398	318,976,673
Short term borrowings	14	1,082,221,862	884,301,394
Short term certificates of deposit		1,748,998,182	944,348,226
Current maturity of non-current liabilities	15	6,796,466,141	6,193,816,081
		10,542,900,425	8,982,544,410
<b>Total equity and liabilities</b>		<b>31,148,328,339</b>	<b>28,317,647,402</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	16		

The annexed notes 1 to 28 form an integral part of this condensed interim financial information.

  
**Shaheen Amin**  
 Chief Executive

  
**Shahid Usman**  
 Director

# Condensed Interim Profit and Loss Account (Un-audited)

For the nine months period & quarter ended March 31, 2016

		Nine months period ended		Quarter ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Note	Rupees			
<b>CONTINUING OPERATIONS</b>					
<b>INCOME</b>					
Income from operations					
Finance lease		1,730,571,629	1,667,787,117	576,681,913	584,331,164
Operating lease	17	398,175,226	514,878,252	113,445,812	149,718,765
Mark-up on term finance		371,811,703	340,806,419	131,638,221	116,706,644
		2,500,558,558	2,523,471,788	821,765,946	850,756,573
<b>Income from other activities</b>					
Other income - net		156,987,707	240,834,923	52,383,375	60,399,986
Share of profit of equity accounted undertakings	18	185,395,128	205,110,702	57,874,574	67,712,058
		342,382,835	445,945,625	110,257,949	128,112,044
		2,842,941,393	2,969,417,413	932,023,895	978,868,617
<b>EXPENSES</b>					
Finance cost	19	1,235,749,014	1,292,707,303	408,579,550	436,020,983
Administrative and general expenses		623,985,728	573,532,106	215,538,234	187,373,506
Direct cost of lease		295,198,184	363,004,291	87,599,405	109,263,724
		2,154,932,926	2,229,243,700	711,717,189	732,658,213
<b>Profit before provision and taxation</b>		<b>688,008,467</b>	<b>740,173,713</b>	<b>220,306,706</b>	<b>246,210,404</b>
Allowance for potential lease and other loan losses - net		73,879,818	115,544,629	24,141,614	40,404,158
Other (reversals) / provisions - net	20	(13,743,797)	31,845,552	1,483,397	(1,166,692)
		60,136,021	147,390,181	25,625,011	39,237,466
<b>Profit before tax</b>		<b>627,872,446</b>	<b>592,783,532</b>	<b>194,681,695</b>	<b>206,972,938</b>
Taxation - Current		87,404,232	73,604,422	30,524,385	22,880,724
- Deferred		55,300,000	57,000,000	18,000,000	21,000,000
	21	142,704,232	130,604,422	48,524,385	43,880,724
<b>Profit from continuing operations for the period</b>		<b>485,168,214</b>	<b>462,179,110</b>	<b>146,157,310</b>	<b>163,092,214</b>
<b>(Loss) / profit after taxation from discontinued operations</b>	22	<b>(11,738,310)</b>	<b>38,041,660</b>	<b>2,322,121</b>	<b>15,229,409</b>
<b>Net profit for the period</b>		<b>473,429,904</b>	<b>500,220,770</b>	<b>148,479,431</b>	<b>178,321,623</b>
<b>BASIC AND DILUTED EARNING / (LOSS) PER SHARE</b>					
From continuing operations		5.91	5.64	1.78	1.99
From discontinued operations		(0.14)	0.46	0.03	0.18
<b>Total</b>		<b>5.77</b>	<b>6.10</b>	<b>1.81</b>	<b>2.17</b>

The annexed notes 1 to 28 form an integral part of this condensed interim financial information.

  
**Shaheen Amin**  
 Chief Executive

  
**Shahid Usman**  
 Director



# Condensed Interim Statement of Comprehensive Income (Un-audited)

For the nine months period & quarter ended March 31, 2016

	Nine months period ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Rupees			
<b>Profit for the period</b>	<b>473,429,904</b>	500,220,770	<b>148,479,431</b>	178,321,623
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit and loss</b>				
Exchange difference arising on translation of foreign associates - net of deferred tax	<b>46,253,351</b>	32,350,357	<b>261,978</b>	5,854,774
Unrealised (loss) / gain due to change in fair value of available for sale securities - net	<b>(17,914,730)</b>	24,532,504	<b>(6,900,014)</b>	7,777,464
Unrealised gain due to sale of available for sale securities transferred to profit and loss account	-	(10,265,402)	-	-
Net unrealised loss on revaluation of investments classified as available for sale transferred to profit and loss account as impairment loss	-	2,755,600	-	-
	<b>28,338,621</b>	49,373,059	<b>(6,638,036)</b>	13,632,238
<b>Items that will not be reclassified to profit and loss</b>				
Net gain on cash flow hedging instruments	<b>35,031,846</b>	30,003,637	<b>16,775,618</b>	18,369,538
<b>Total comprehensive income for the period</b>	<b>536,800,371</b>	579,597,466	<b>158,617,013</b>	210,323,399

The annexed notes 1 to 28 form an integral part of this condensed interim financial information.

  
**Shaheen Amin**  
 Chief Executive

  
**Shahid Usman**  
 Director

# Condensed Interim Cash Flow Statement (Un-audited)

For the nine months period ended March 31, 2016

	Note	March 31, 2016	March 31, 2015
		Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax for the period (including discontinued operations)		613,729,904	638,616,857
<b>Adjustments for:</b>			
Depreciation and amortisation		205,605,453	226,383,898
Amortisation of transaction cost		10,419,366	14,127,925
Allowance for potential lease and other loan losses - net		73,879,818	115,544,629
(Reversal) / provision for other receivable		(25,158,511)	23,560,318
Provision for workers welfare fund		13,500,000	13,000,000
Impairment on available for sale securities		-	2,755,600
Impairment loss on e-business assets		30,003,203	-
Reversal of provision on investment		(2,085,286)	(1,575,000)
Share of profit of equity accounted undertakings		(185,395,128)	(205,110,702)
(Gain) / loss on hedging instruments		(4,428,556)	1,238,347
Exchange loss / (gain) on long term borrowings		4,428,556	(1,238,347)
Unrealised gain on remeasurement of financial assets at fair value through profit or loss		4,834,122	264,810
Finance cost		599,790,631	668,278,248
Profit on certificates of deposit		625,539,017	610,301,130
Dividend income		(7,727,555)	(355,645)
Exchange (loss) / gain on dividend received		341,945	(3,622)
Return on investments and deposit		(81,217,462)	(84,932,819)
Gain on disposal of fixed assets		(9,019,629)	(12,678,989)
<b>Operating profit before working capital changes</b>		<b>1,867,039,888</b>	<b>2,008,176,638</b>
<b>(Increase) / decrease in operating assets</b>			
Investment in finance lease - net		(2,262,422,571)	(2,781,944,003)
Long term finances and loans - net		(645,523,021)	(1,862,128)
Short term finances		155,462,183	(57,336,492)
Advances and prepayments		(11,852,371)	(36,549,950)
Other receivables		34,894,196	(37,641,264)
Long term deposits		(1,307,844)	100,839
		(2,730,749,428)	(2,915,232,998)
<b>Increase / (decrease) in operating liabilities</b>			
Deposits from lessees - net		942,671,692	1,106,264,299
Interest / mark-up paid		(692,203,325)	(732,227,362)
Profit paid on certificates of deposit		(590,617,228)	(718,212,703)
Trade and other payables		19,076,222	30,211,050
		(321,072,639)	(313,964,716)
Net cash used in operating activities before income tax		(1,184,782,179)	(1,221,021,076)
Income tax paid		(83,444,235)	(102,802,062)
<b>Cash used in operating activities</b>		<b>(1,268,226,414)</b>	<b>(1,323,823,138)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred - own use and intangible assets		(58,856,283)	(31,013,594)
Proceeds from disposal of assets - own use		16,367,368	12,861,673
Capital expenditure incurred - operating lease assets		(9,955,625)	(32,089,077)
Capital expenditure incurred - assets under discontinued operations		(16,599,890)	(2,284,634)
Capital expenditure incurred - ijarah finance		(57,236,500)	(63,932,500)
Proceeds from sale of operating lease assets		17,429,961	14,950,000
Proceeds from sale of assets under discontinued operations		509,100	-
Proceeds from sale of ijarah finance assets		1,407,731	3,211,087
Investments - net		(136,657,675)	34,465,606
Purchase of right shares of equity accounted undertaking		-	(67,375,000)
Dividend received		78,778,629	8,959,259
Interest received		67,185,643	64,789,792
<b>Net cash used in investing activities</b>		<b>(97,627,541)</b>	<b>(57,457,388)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term loans		2,700,000,000	3,701,010,000
Short term borrowings-net		229,715,882	450,000,000
Certificates of deposit issued - net		1,415,817,844	440,397,088
Repayment of long term loans and finances		(2,572,224,980)	(3,024,681,659)
Dividend paid		(367,738,861)	(285,268,491)
<b>Net cash generated from financing activities</b>		<b>1,405,569,885</b>	<b>1,281,456,938</b>
Net increase / (decrease) in cash and cash equivalents		39,715,930	(99,823,588)
Cash and cash equivalents at beginning of the period		(711,015,042)	(594,151,272)
<b>Cash and cash equivalents at end of the period</b>	25	<b>(671,299,112)</b>	<b>(693,974,860)</b>

The annexed notes 1 to 28 form an integral part of this condensed interim financial information.

  
**Shaheen Amin**  
 Chief Executive

  
**Shahid Usman**  
 Director

# Condensed Interim Statement of Changes In Equity (Un-audited)

For the nine months period ended March 31, 2016

	Issued, subscribed and paid-up capital	Capital Reserves		Reserves				Total shareholders equity
		Share premium	Statutory reserve	Unappropriated profit	Unrealised gains / (losses) on investment	Hedging reserve	Foreign currency translation reserve	
(Rupees)								
Balance as at July 1, 2014	820,529,300	448,603,499	866,000,000	608,531,814	9,738,741	(58,090,553)	287,507,333	2,982,820,134
Total comprehensive income for the nine months period ended March 31, 2015								
Profit for the period	-	-	-	500,220,770	-	-	-	500,220,770
Other comprehensive income								
Exchange difference arising on translation of foreign associates - net of deferred tax	-	-	-	-	-	-	32,350,357	32,350,357
Unrealised gain due to change in fair value of available for sale securities - net	-	-	-	-	24,532,504	-	-	24,532,504
Unrealized gain due to sale of available for sale securities transferred to profit and loss account	-	-	-	-	(10,265,402)	-	-	(10,265,402)
Net unrealized loss on revaluation of investments classified as available for sale transferred to profit & loss as impairment loss	-	-	-	-	2,755,600	-	-	2,755,600
Net gain on cash flow hedging instruments	-	-	-	-	-	30,003,637	-	30,003,637
	-	-	-	-	17,022,702	30,003,637	32,350,357	79,376,696
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	-	2,270,538	-	-	-	2,270,538
Transactions with owner recorded directly in equity-distribution								
Cash dividend @ Rs.3.50 per ordinary share of Rs. 10.00 each for the year ended June 30, 2014	-	-	-	(287,185,255)	-	-	-	(287,185,255)
Balance as at March 31, 2015	820,529,300	448,603,499	866,000,000	823,837,867	26,761,443	(28,086,916)	319,857,690	3,277,502,883
Balance as at July 1, 2015	820,529,300	448,603,499	899,545,177	961,597,991	27,566,224	(35,031,846)	314,209,983	3,437,020,328
Total comprehensive income for the nine months period ended March 31, 2016								
Profit for the period	-	-	-	473,429,904	-	-	-	473,429,904
Other comprehensive income								
Exchange difference arising on translation of foreign associates - net of deferred tax	-	-	-	-	-	-	46,253,351	46,253,351
Unrealised loss due to change in fair value of available for sale securities - net	-	-	-	-	(17,914,730)	-	-	(17,914,730)
Net gain on cash flow hedging instruments	-	-	-	-	-	35,031,846	-	35,031,846
	-	-	-	-	(17,914,730)	35,031,846	46,253,351	63,370,467
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	-	2,270,538	-	-	-	2,270,538
Transactions with owner recorded directly in equity-distribution								
Cash dividend @ Rs.4.50 per ordinary share of Rs. 10.00 each for the year ended June 30, 2015	-	-	-	(369,238,185)	-	-	-	(369,238,185)
Balance as at March 31, 2016	820,529,300	448,603,499	899,545,177	1,068,060,248	9,651,494	-	360,463,334	3,606,853,055

The annexed notes 1 to 28 form an integral part of this condensed interim financial information.

  
**Shaheen Amin**  
 Chief Executive

  
**Shahid Usman**  
 Director

# Notes to and Forming Part of the Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2016

## 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 the Pakistan Stock Exchange. 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).

- 1.1 Pakistan Credit Rating Agency Limited (PACRA) has assigned long term credit rating of AA+ and short term credit rating of A1+ to the Company on January 14, 2016.

## 2 BASIS OF PREPARATION

- 2.1 This condensed interim financial information has been prepared in accordance with the 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 and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountant of Pakistan (ICAP) as are notified under the Companies Ordinance, 1984, the provisions of the Companies Ordinance, 1984, the Non-Banking Finance Companies (Established and Regulations) Rules, 2003 (the "NBFC Rules"), the Non-Banking Finance and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP. In case the requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984, the NBFC regulations, the NBFC Rules and 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 does not include all of the information required for a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Company for the year ended June 30, 2015.
- 2.3 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, 2015, whereas the comparative profit and loss account, statement of comprehensive income, statement of changes in equity and cash flow statement are stated from the unaudited condensed interim financial information for the period ended March 31, 2015.
- 2.4 This condensed interim financial information has been presented in Pakistani Rupees, which is the functional currency of the Company.

## 3 SIGNIFICANT POLICIES, ESTIMATES, ASSUMPTIONS AND CHANGES THEREIN

- 3.1 The accounting policies adopted in the preparation of 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, 2015.
- 3.2 The preparation of this condensed interim financial information in conformity with the approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3 The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual published financial statements for the year ended June 30, 2015.
- 3.4 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period
  - 3.4.1 IFRS 13 'Fair Value Measurement' establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRS. It unifies the definition of fair value as 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. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 'Financial Instruments: Disclosures'. As a result the company has included additional disclosures in this regard in note 26 to the condensed interim financial information. Notwithstanding the above, the change had no significant impacts on the measurements of the Company's assets and liabilities.
  - 3.4.2 Certain amendments to approved accounting standards have been published and are mandatory for the Company's accounting period beginning on or after July 1, 2015. None of these amendments have a significant effect on this condensed interim financial information.

## 4 RISK MANAGEMENT POLICIES

The financial risk management objectives and policies are consistent with those disclosed in the annual audited published financial statements of the Company for the year ended June 30, 2015.

# Notes to and Forming Part of the Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2016

5	PROPERTY, PLANT AND EQUIPMENT	March 31, 2016 (Un-audited)	June 30, 2015 (Audited)
		Rupees	
	Fixed assets - own use	391,873,281	392,126,268
	Fixed assets - on operating lease	1,048,761,125	1,184,613,802
	Fixed assets - Ijarah finance	170,878,789	185,071,406
		1,611,513,195	1,761,811,476

- 5.1 The following is a statement of cost of additions and disposals to / from property, plant and equipment for the nine months period ended March 31, 2016.

	Own Use		Operating lease assets		Asset under Ijarah financing	
	Additions	Disposals	Additions	Disposals	Additions	Disposals
	Rupees					
Generators / Machinery	-	-	8,417,192	30,314,770	41,300,000	5,620,000
Generators accessories	-	-	1,538,433	-	-	-
Leasehold improvements	5,457,251	36,933	-	-	-	-
Furniture, fittings and office equipment	14,653,082	9,012,666	-	-	-	-
Computers and accessories	6,331,220	1,994,388	-	-	-	-
Communication equipment	-	-	16,599,890	426,873,656	-	-
Vehicles	22,054,558	24,945,322	-	6,147,500	15,936,500	30,595,500
March 31, 2016	48,496,111	35,989,309	26,555,515	463,335,926	57,236,500	36,215,500
March 31, 2015	31,013,594	23,915,823	34,373,711	31,741,628	63,932,500	33,938,000

6	INTANGIBLE ASSETS	Note	March 31, 2016 (Un-audited)	June 30, 2015 (Audited)
			Rupees	
	Computer software and license		11,506,156	8,631,456

- 6.1 During the period additions amounting to Rs 10,360,172 (March 2015:Rs 499,800) were made to intangibles by the company. No disposals were made during the period.

## 7 NET INVESTMENT IN FINANCE LEASE

Instalment contract receivables	18,257,084,869	17,062,648,835
Residual value	7,753,250,264	6,808,120,022
	26,010,335,133	23,870,768,857
Less: Unearned finance income	2,978,009,537	3,046,820,480
	23,032,325,596	20,823,948,377

## 8 LONG TERM INVESTMENTS

<b>Held to maturity investments</b>			
Pakistan investment bonds (PIBs)	8.1	14,595,500	14,404,648
Term finance certificates (TFCs) - Unlisted	8.2	2,223,127	3,265,627
		16,818,627	17,670,275
Less: Allowance for potential losses		2,223,127	3,265,627
		14,595,500	14,404,648

- 8.1 This investment has been made as required under Regulation 14(4)(g) of the Non Banking Finance Companies and Notified Entities Regulations, 2008 to maintain liquidity against certificates of deposit. This is redeemable within a period of 1.25 years (June 2015: 2 years) from the balance sheet date, carrying coupon rate of 9.60% (June 2015: 9.60%) per annum due half yearly from the date of issue.
- 8.2 This represents investment made by the Company in unlisted Term Finance Certificates (TFCs). The exposure against these TFCs has been fully provided.

# Notes to and Forming Part of the Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2016

9	CURRENT MATURITY OF NON-CURRENT ASSETS	Note	March 31, 2016 (Un-audited)	June 30, 2015 (Audited)
			Rupees	
	<b>Current maturity of:</b>			
	Net investment in finance lease		10,037,837,525	8,746,722,525
	Long term finances and loans		1,507,223,267	1,219,379,172
			<b>11,545,060,792</b>	<b>9,966,101,697</b>

## 10 SHORT TERM INVESTMENTS

	<b>Held to maturity investment</b>			
	<b>Certificates of deposit</b>		-	708,602
	<b>At fair value through profit and loss</b>			
	Treasury bills	10.1	612,991,037	463,531,798
	Term finance certificates	10.2	15,335,790	18,992,047
			<b>628,326,827</b>	<b>482,523,845</b>
	<b>Available-for-sale</b>			
	Pakistan investment bonds (PIBs)	10.3	600,391,490	616,133,538
	Ordinary shares		15,059,667	15,285,526
			<b>615,451,157</b>	<b>631,419,064</b>
	<b>Loans and receivables</b>			
	Fund placements		-	334,183
	Less: Allowance for potential losses		8,000,527	9,043,312
			<b>1,235,777,457</b>	<b>1,105,942,382</b>

10.1 These represent investments made as required under Regulation 14 (4) (g) of the NBFC Regulations to maintain liquidity against certificates of deposit. These are redeemable within a period of 12 months (June 2015: 12 months) from the balance sheet date. These carry yields ranging from 6.05% to 7.1663% (June 2015: 6.73% to 8.33%).

10.2 These represent investments made by the Company in Term Finance Certificates (TFCs). These investments carry markup upto 6 months KIBOR + 2.4% (June 2015: upto 6 month KIBOR + 2.4%).

10.3 These represent investments made as required under Regulation 14 (4) (g) of the NBFC Regulations to maintain liquidity against certificates of deposit. These are highly liquid and can be sold in the secondary market at any time. These carry coupon rate ranging from 11.25% to 11.50% (June 2015: 8.9% to 11.97%).

## 11 ASSETS CLASSIFIED AS HELD FOR SALE

	Investment in associated undertaking	11.1	87,754,399	87,754,399
	Repossessed assets		10,746,278	3,547,810
			<b>98,500,677</b>	<b>91,302,209</b>

11.1 The management intends to divest the Company's investment in OPP (Private) Limited, subject to necessary regulatory approvals.

## 12 LONG TERM FINANCES - secured

	Long term finances utilised under mark-up arrangements - financial institutions		8,540,224,481	8,033,455,235
	Less: Unamortised transaction cost		21,921,567	31,503,031
	Less: Current maturity	15	3,700,923,333	3,294,389,094
			<b>3,722,844,900</b>	<b>3,325,892,125</b>
			<b>4,817,379,581</b>	<b>4,707,563,110</b>

# Notes to and Forming Part of the Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2016

## 13 LONG TERM LOANS

Name of lending institution	Commencement of repayment	Mode of loan repayment	Rate	March 31, 2016 (Un-audited)	June 30 2015 (Audited)
				Rupees	
<b>Secured :</b>					
Pakistan Poverty Alleviation Fund	June 28, 2013	11 quarterly instalments	KIBOR+1.50%	-	120,299,248
<b>Unsecured :</b>					
ECO Trade and Development Bank	January 7, 2013	7 equal semi annual instalments	US\$ six month LIBOR+1.50%	-	290,571,518
Total long term loans				-	410,870,766
Less: Current maturity (note 15)				-	410,870,766
				-	-

		March 31, 2016 (Un-audited)	June 30, 2015 (Audited)
14	SHORT TERM BORROWINGS	Note	Rupees
From banking Companies			
Running finance arrangements - secured		852,505,980	884,301,394
Short term loans - secured		130,000,000	-
Short term loans - unsecured		99,715,882	-
		1,082,221,862	884,301,394

## 15 CURRENT MATURITY OF NON-CURRENT LIABILITIES

<b>Current maturity of:</b>			
Long term finances	12	3,700,923,333	3,294,389,094
Long term loans	13	-	410,870,766
Long term certificates of deposit		1,184,502,226	921,967,140
Long term deposits		1,911,040,582	1,566,589,081
		6,796,466,141	6,193,816,081

## 16 CONTINGENCIES AND COMMITMENTS

- 16.1 In November 2011, the Company received a show cause notice from the Large Taxpayers Unit of the Federal Board of Revenue (FBR) Karachi as to why Federal Excise Duty (FED) on mark-up and other income for the years ended June 30, 2008, 2009 and 2010 amounting to Rs. 1,126 million along with applicable penalty and default surcharge should not be recovered from the Company. The Company's legal advisor is of the opinion that charging of FED on mark-up based income is unlawful and accordingly the Company filed a suit before the Honorable High Court of Sindh challenging levy of FED on mark-up income. The Honorable High Court of Sindh in its order dated November, 19th, 2015 directed FBR to issue the notice of hearing and thereafter decide the matter. The Honorable High Court of Sindh further directed that recovery shall not be affected till the decision is made. Subsequent to the said order no notice from FBR for hearing has been received. Management, based on the merit of the case, consider that decision will be in the Company's favor hence no provision has been made in this regard.
- 16.2 There were no changes in the status of contingencies as disclosed in the note 31 to the financial statements for the year ended June 30, 2015 except as disclosed in note 16.1.
- 16.3 Finance lease in Ijarah contracts committed but not executed at the balance sheet date amounted to Rs 76.53 million (June 2015: Rs 28 million)

		Nine months period ended	
		March 31, 2016 (Un-audited)	March 31, 2015 (Un-audited)
17 INCOME FROM OPERATING LEASE		Rupees	
Generators and Vehicles		296,790,283	430,497,119
Islamic Finance		101,384,943	84,381,133
		398,175,226	514,878,252

# Notes to and Forming Part of the Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2016

## 18 SHARE OF PROFIT OF EQUITY ACCOUNTED UNDERTAKINGS

Name of associates	Note	Nine months period ended March 31, 2016		Nine months period ended March 31, 2015	
		Associates' profit / (loss) after tax	Share of associates' profit / (loss) after tax	Associates' profit / (loss) after tax	Share of associates' profit / (loss) after tax
		(Un-audited)		(Un-audited)	
		Rupees			
Quoted					
Oman ORIX Leasing Company SAOG		1,088,719,375	126,745,444	989,054,533	115,142,762
		1,088,719,375	126,745,444	989,054,533	115,142,762
Un-Quoted					
Saudi ORIX Leasing Company		1,825,582,436	35,142,462	2,407,483,107	46,344,050
Al Hail ORIX Finance PSC		(82,623,379)	(2,478,703)	642,341,638	19,270,249
SK Leasing JSC		18.1	-	-	-
ORIX Leasing Egypt SAE		112,982,282	25,985,925	105,885,398	24,353,641
		1,855,941,339	58,649,684	3,155,710,143	89,967,940
		2,944,660,714	185,395,128	4,144,764,676	205,110,702

18.1 The Company has suspended recognising share of profit on the said investment due to significant impediments in repatriation of capital / investment. However, the Company received a dividend of Rs 7,094,574 during the period.

19 FINANCE COST	Nine months period ended	
	March 31, 2016	March 31, 2015
	(Un-audited)	(Un-audited)
Rupees		
<b>Interest / mark-up on:</b>		
- Long term finances	488,958,841	512,104,201
- Long term loans	10,560,076	56,157,248
- Short term borrowings	79,546,675	83,978,277
Profit on certificates of deposit	625,539,017	610,301,130
Amortisation of transaction costs	10,419,366	14,127,925
Bank charges and commission	20,725,039	16,038,522
	1,235,749,014	1,292,707,303

## 20 OTHER (REVERSALS) / PROVISIONS - NET

(Reversal) / provision for other receivable	(25,158,511)	17,664,952
Provision for workers' welfare fund	13,500,000	13,000,000
Impairment on available for sale securities	-	2,755,600
Reversal of provision for potential losses on investments	(2,085,286)	(1,575,000)
	(13,743,797)	31,845,552

## 21 TAXATION

21.1 The tax charge for the current period has been made under the provisions of the Alternate Corporate Tax under Section 113C of the Income Tax Ordinance, 2001. The deferred tax calculated using the statutory rate of taxation has been charged to the profit and loss account.



# Notes to and Forming Part of the Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2016

22 (LOSS) / PROFIT AFTER TAXATION FROM DISCONTINUED OPERATIONS	Nine months period ended	
	March 31, 2016 (Un-audited)	March 31, 2015 (Un-audited)
	Rupees	
Income from operations	117,928,933	186,338,714
Direct cost	(74,430,220)	(100,197,392)
Administrative and general expenses	(28,147,152)	(34,412,631)
Impairment loss on e-business assets	(30,003,203)	-
Provision against debtors	-	(5,895,366)
Gain on disposal	509,100	-
(Loss) / profit before taxation	(14,142,542)	45,833,325
Taxation - net	2,404,232	(7,791,665)
(Loss) / profit after taxation from discontinued operations	(11,738,310)	38,041,660

The Company has exited its e-business segment. This business was not aligned to the Company's strategic objective of concentrating on its core leasing business. An impairment loss of Rs.30.0 million has been recognized on the disposal of the Company's e-business assets .

## 23 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. Investment Financial Services represents ORIX Investment Bank Limited's assets and liabilities and related profit and loss expenses after amalgamation with ORIX Leasing Pakistan Limited. Segment results for the Company's Micro Finance operation are also disclosed separately. Other operations, which are not deemed by management to be sufficiently significant to disclose as separate items and do not fall in to the above segment categories, are reported under "Investment in associates, loans and others".

Finance lease	Operating lease	Investment in associates, loans and others	Leasing business total	Micro Finance	Investment financial services	Total
Rupees						

### Segment analysis for the nine months ended March 31, 2016 - (Unaudited)

Segment revenues	1,730,571,629	516,104,159	413,928,504	2,660,604,292	111,423,790	3,956,216	2,775,984,298
Share of profit of equity accounted undertakings	-	-	185,395,128	185,395,128	-	-	185,395,128
<b>Total segment revenue</b>	1,730,571,629	516,104,159	599,323,632	2,845,999,420	111,423,790	3,956,216	2,961,379,426
Administrative and general expenses	(213,414,725)	(44,107,219)	(566,837)	(258,088,781)	(41,664,100)	-	(299,752,881)
Direct cost of lease	(12,044,433)	(357,583,971)	-	(369,628,404)	-	-	(369,628,404)
Allowance for potential lease other loan losses - net	(36,443,786)	-	(35,076,969)	(71,520,755)	(2,359,064)	-	(73,879,819)
Impairment loss on e-business assets	-	(30,003,203)	-	(30,003,203)	-	-	(30,003,203)
Other provision - net	-	21,197,740	1,751,103	22,948,843	-	4,294,954	27,243,797
<b>Segment result</b>	1,468,668,685	105,607,506	565,430,929	2,139,707,120	67,400,626	8,251,170	2,215,358,916
Provision for workers welfare fund	-	-	-	(13,500,000)	-	-	(13,500,000)
Unallocated expenses	-	-	-	(352,379,998)	-	-	(352,379,998)
Result from operating activities	-	-	-	1,773,827,122	67,400,626	8,251,170	1,849,478,918
Finance cost	-	-	-	(1,215,070,107)	(19,814,382)	(864,525)	(1,235,749,014)
Provision for taxation	-	-	-	(140,300,000)	-	-	(140,300,000)
<b>Profit for the period</b>	-	-	-	418,457,015	47,586,244	7,386,645	473,429,904

### Segment assets and liabilities

Segment assets	22,328,551,166	1,219,639,914	3,518,475,785	27,066,666,865	409,001,366	11,205,398	27,486,873,629
Investment in equity accounted undertakings	-	-	2,342,696,477	2,342,696,477	-	-	2,342,696,477
Asset classified as held for sale	10,746,278	-	87,754,399	98,500,677	-	-	98,500,677
Unallocated assets	-	-	-	1,220,257,556	-	-	1,220,257,556
<b>Total assets</b>	-	-	-	30,728,121,575	409,001,366	11,205,398	31,148,328,339
Segment liabilities	7,748,028,991	-	-	7,748,028,991	210,929,850	11,205,398	7,970,164,239
Unallocated liabilities	-	-	-	19,460,777,881	-	-	19,460,777,881
<b>Total liabilities</b>	-	-	-	27,208,806,872	210,929,850	11,205,398	27,430,942,120

# Notes to and Forming Part of the Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2016

	Finance lease	Operating lease	Investment in associates, loans and others	Leasing business total	Micro Finance	Investment financial services	Total
Rupees							
<b>Other information</b>							
Capital expenditure	-	83,792,015	-	83,792,015	2,410,376	-	86,202,391
Depreciation and amortisation	-	166,408,787	-	166,408,787	1,025,960	-	167,434,747
Unallocated:							
Capital expenditure	-	-	-	56,445,907	-	-	56,445,907
Depreciation and amortisation	-	-	-	38,170,706	-	-	38,170,706
<b>Segment analysis for the nine months ended March 31, 2015 - (Unaudited)</b>							
Segment revenues	1,667,787,117	701,216,966	428,194,350	2,797,198,433	91,569,762	61,877,230	2,950,645,425
Share of profit of equity accounted undertakings	-	-	205,110,702	205,110,702	-	-	205,110,702
<b>Total segment revenue</b>	1,667,787,117	701,216,966	633,305,052	3,002,309,135	91,569,762	61,877,230	3,155,756,127
Administrative and general expenses	(201,052,718)	(56,889,524)	1,189,799	(256,752,443)	(37,260,689)	(2,506,839)	(296,519,971)
Direct cost of lease	(7,631,187)	(455,570,496)		(463,201,683)	-	-	(463,201,683)
Allowance for potential lease other loan losses - net	(101,867,221)	-	(16,295,611)	(118,162,832)	(78,015)	2,696,218	(115,544,629)
Other provision - net	-	(31,263,203)	(1,684,136)	(32,947,339)	-	8,206,421	(24,740,918)
<b>Segment result</b>	1,357,235,991	157,493,743	616,515,104	2,131,244,838	54,231,058	70,273,030	2,255,748,926
Provision for workers welfare fund				(13,000,000)	-	-	(13,000,000)
Unallocated expenses				(311,424,766)	-	-	(311,424,766)
Result from operating activities				1,806,820,072	54,231,058	70,273,030	1,931,324,160
Finance cost				(1,259,299,786)	(27,098,714)	(6,308,803)	(1,292,707,303)
Provision for taxation				(138,396,087)	-	-	(138,396,087)
<b>Profit for the period</b>				409,124,199	27,132,344	63,964,227	500,220,770
<b>Segment assets and liabilities for the year ended June 30, 2015 (Audited)</b>							
Segment assets	20,102,572,381	1,375,712,515	3,202,785,328	24,681,070,224	386,369,930	37,192,637	25,104,632,791
Investment in equity accounted undertakings	-	-	2,176,352,899	2,176,352,899	-	-	2,176,352,899
Assets classified as held for sale	3,547,810	-	87,754,399	91,302,209	-	-	91,302,209
Unallocated assets				945,359,503	-	-	945,359,503
<b>Total assets</b>				27,894,084,835	386,369,930	37,192,637	28,317,647,402
Segment liabilities	6,804,332,299	-	-	6,804,332,299	120,299,248	37,192,637	6,961,824,184
Unallocated liabilities				17,806,793,882	-	-	17,806,793,882
<b>Total liabilities</b>				24,611,126,181	120,299,248	37,192,637	24,768,618,066
<b>Other information for the nine months ended March 31, 2015 (Unaudited)</b>							
Capital expenditure	-	98,306,211	-	98,306,211	1,191,290	-	99,497,501
Depreciation and amortisation	-	189,510,402	-	189,510,402	1,127,921	-	190,638,323
Unallocated:							
Capital expenditure	-	-	-	29,822,304	-	-	29,822,304
Depreciation and amortisation	-	-	-	35,745,575	-	-	35,745,575

## 24 TRANSACTIONS / BALANCES WITH RELATED PARTIES

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

# Notes to and Forming Part of the Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2016

		Nine months period ended	
		March 31, 2016 (Un-audited)	March 31, 2015 (Un-audited)
		Rupees	
<b>Transactions during the period</b>			
<b>ORIX Corporation, Japan</b>			
Parent Company			
Dividend Paid		183,113,276	142,421,437
<b>Saudi Orix Leasing Company</b>			
Associate / Common directorship			
Investment through right shares (2014: 250,000 shares)		-	67,375,000
Consultancy fee received		843,051	491,137
<b>SK Leasing JSC</b>			
Associate / Common directorship			
Dividend received		7,094,574	8,603,614
<b>Oman ORIX Leasing Company SAOG</b>			
Associate / Common directorship			
Dividend received		71,684,055	-
Consultancy fee received		-	1,284,395
BOD attendance fee received		341,151	130,091
<b>OPP (Private) Limited</b>			
Common directorship			
Rent paid for serviced apartments		-	38,512
<b>Sui Northern Gas Company Limited</b>			
Common directorship			
Utilities bills payment		14,410	21,470
<b>State life Insurance Corporation of Pakistan</b>			
Common directorship			
Rent and premium payment		9,010,499	9,759,984
<b>Related parties</b>			
Issuance of certificates of deposit	**	16,784,755	57,523,660
Redemption of certificates of deposit	**	28,050,000	25,114,851
Amount of profit paid	**	4,420,249	2,339,288
<b>ORIX Leasing Pakistan Limited Employees Provident Fund (OLP - EPF)</b>			
Contribution made		16,448,123	15,297,843
<b>ORIX Leasing Pakistan Limited Staff Gratuity Fund (OLP - SGF)</b>			
Contribution made		8,910,579	9,900,000
<b>Compensation of Key Management Personnel</b>			
Remuneration	**	108,603,933	94,302,068
Retirement benefits	**	9,785,759	10,003,899
		118,389,692	104,305,966
Loan disbursement to key management personnel	**	9,412,884	7,493,360
Interest paid by key management personnel	**	1,669,373	1,640,347
Principal repaid by key management personnel	**	9,071,631	4,765,120

\*\* Key Management personnel include the Chief Executive Officer, Chief Financial Officer, Company Secretary and departmental, divisional, zonal and functional heads. Previously, the Company had considered the Chief Executive Officer and the Chief Financial Officer as Key Management personnel. The comparative information has been restated accordingly.

# Notes to and Forming Part of the Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2016

	March 31, 2016 (Un-audited)	June 30, 2015 (Audited)
	Rupees	
<b>Balances as at period / year end</b>		
Certificates of deposit held - Related parties	59,775,595	71,978,619
Accrued profit on certificates of deposit - Related parties	4,188,595	3,668,637
Loans to Key Management Personnel	37,810,672	37,469,419
Defined benefit payable to ORIX Leasing Pakistan Limited Staff Gratuity Fund	-	849,197

24.1 The Company is a party to Technical Assistance Agreements with its foreign associates, under which the Company renders certain technical services to these foreign associates.

24.2 Internal Audit also provides certain Internal Audit Advisory services to the ORIX group companies.

	Nine months period ended	
	March 31, 2016 (Un-audited)	March 31, 2015 (Un-audited)
	Rupees	
<b>25 CASH AND CASH EQUIVALENTS</b>		
Cash at bank	179,963,693	102,381,712
Cash in hand	1,243,175	1,261,525
	181,206,868	103,643,237
Running finance arrangements - secured	(852,505,980)	(797,618,097)
	(671,299,112)	(693,974,860)

## 26 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

Carrying value	March 31, 2016 (un-audited)			
	Fair value			
	Level 1	Level 2	Level 3	Total
	Rupees			

### On balance sheet financial instruments

#### Financial assets measured at fair value

- Investments

At fair value through profit or loss	628,326,827	-	628,326,827	-	628,326,827
Available for sale investments	615,451,157	-	600,391,490	15,059,667	615,451,157
Total	1,243,777,984	-	1,228,718,317	15,059,667	1,243,777,984

# Notes to and Forming Part of the Condensed Interim Financial Information (Un-audited)

For the nine months period ended March 31, 2016

Carrying value	June 30, 2015 (Audited)				
	Fair value				
	Level 1	Level 2	Level 3	Total	
Rupees					
<b>On balance sheet financial instruments</b>					
<b>Financial assets measured at fair value</b>					
- Investments					
At fair value through profit or loss	482,523,845	-	482,523,845	-	482,523,845
Available for sale investments	631,419,064	-	616,133,538	15,285,526	631,419,064
Total	1,113,942,909	-	1,098,657,383	15,285,526	1,113,942,909

The carrying amounts of all other financial assets and liabilities reflected in the financial statements approximate their fair values.

## 27 GENERAL

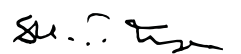
Figures have been rounded off to the nearest rupee.

## 28 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 21, 2016 by the Board of Directors of the Company.



**Shaheen Amin**  
Chief Executive



**Shahid Usman**  
Director



## OFFICES IN PAKISTAN

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### **Korangi Office**

#### **Head Office**

ORIX Building, Plot No.16, Sector No.24,  
Korangi Industrial Area, Karachi  
Tel: 021- 3514 4029-40  
Fax: 021- 3514 4002, 3514 4020  
UAN: 111 24 24 24  
E-mail: [olp@orixpakistan.com](mailto:olp@orixpakistan.com)  
Website: [www.orixpakistan.com](http://www.orixpakistan.com)

#### **Registered Office**

Islamic Chamber of Commerce Building,  
Ground Floor, ST-2/A, Block-9, KDA Scheme  
No.5, Clifton, Karachi  
Tel: 021-3530 3560-64  
Fax: 021-3530 3571

### **Hyderabad**

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

### **Lahore Zone**

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

### **Shad Bagh**

House No. 3, Street # 2,  
Main Street Dilshad Park,  
Opposite Wasa Colony,  
Shad Bagh, Lahore  
Tel: 042-37613511

### **Batapur/Jallo More**

Opposite Sooter Mill Stop, Kot Dhoni Chand,  
G.T Road, Lahore  
Tel: 042-36522931

### **Kot Abdul Malik**

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

### **Manga Mandi**

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

### **Sharaqpur**

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

### **Chunian**

W-1-370/26, Shop RH, Cantt Road, Chunian  
Tel: 049-4311132

### **Faisalabad Zone**

3rd Floor, Sittara 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, 3740091  
Fax: 048-3729522

### **Sahiwal**

Stadium Road Branch Five Ways Chowk,  
Stadium Road, Sahiwal  
Tel: 040-4227613-4  
Fax: 040-4227615

### **Jhang**

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

### **Bhalwal**

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

### **Sillanwali**

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

### **Sahiwal Micro Finance**

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

### **Sialkot Zone**

First Floor, Ghoolam Kadir Arcade,  
Aziz Shaheed Road, Sialkot Cantt.  
Tel: 052-4260616, 4260877  
Fax: 052-4269548

### **Gujrat**

Office No.1, First Floor, Empire Centre,  
Opp. Small Industrial Estate 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: 055-3250599

### **Islamabad Zone**

Ground Floor, State Life Building No. 5,  
Nizamuddin Road, Blue Area, Islamabad.  
Tel: 051-2822800-2,2821706,2821748, 2821960  
Fax: 051-2821917

### **Rawalpindi**

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

### **Mirpur A.K.**

First Floor, Jarra! Plaza,  
63/F, Sector F-1,  
Kotli Road, Mirpur, A.K.  
Tel: 05827- 434368, 451219  
Fax: 05827-432216

### **Chakwal**

Ground Floor, Opposite Sadar Police Station  
Talagang Road Chakwal  
Tel: 0543-543523-4, 602049  
Fax: 0543-602048

### **Multan Zone**

Ground Floor, Trust Plaza, LMQ Road, Multan  
Tel: 061- 4518431-3, 4518435-6  
Fax: 061-4580321

### **Rahim Yar Khan**

20-21, Ground Floor, City Centre Plaza,  
Shahi Road, Rahim Yar Khan.  
Tel: 068- 588565, 5887617-8  
Fax: 068-5887610

### **Bahawalpur**

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

### **Renala Khurd**

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

### **Pattoki**

Faisal Colony, Road,  
Near Post Office Pattoki  
Tel: 049-4422064

### **Peshawar Zone**

Ground Floor, State Life Building  
The Mall, Peshawar  
Tel: 091- 5278647, 5279789, 5285541,  
5285520  
Fax: 091-5273389

### **Abbottabad**

Yousaf Jamal Plaza, Near HBL  
Mansehra Road, Abbottabad.  
Tel: 0992-343888, 343188  
Fax: 0992-405856

### **Mingora**

Shop No. 7. Ground Floor, Shahzad Plaza  
Saidu Road, Makan Bagh  
Mingora Sawat  
Cell: 0300-5749249

ORIXPAKISTAN.COM



## ORIX Leasing Pakistan Limited

ORIX Building, Plot No. 16, Sector No. 24,  
Korangi Industrial Area, Karachi - 74900  
Phone: (021) 35144028-40