ORIX Modaraba | ORIX



First Quarterly Report September 30, 2017

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Modaraba Information

Modaraba Company
ORIX Services Pakistan (Pvt) Limited

Directors of Modaraba Company
Mr. Shaheen Amin
Chairman

Mr. Raheel Qamar Ahmad
Managing Director/ Chief Executive

Mr. Ramon Alfrey
Director

Mr. Hiroshi Nishio
Director

Mr. Nausherwan Adil
Independent Director

Mian Faysal Riaz
Director

Company Secretary
Mr. Muhammad Siddique

Audit Committee
Mr. Nausherwan Adil
Chairman

Mr. Ramon Alfrey
Member

Mian Faysal Riaz
Member

Human Resource and Remuneration (HR&R) Committee

Mr. Shaheen Amin
Chairman

Mr. Nausherwan Adil
Member

Mr. Raheel Qamar Ahmad
Member

Shariah Advisor
Mufti Faisal Ahmed

Auditors
KPMG Taseer Hadi & Co.
Chartered Accountants

Bankers/ Financial Institutions
Standard Chartered Bank (Pakistan) Limited (Saadiq)
Meezan Bank Limited
United Bank Limited (UBL Ameen)
Bank Alfalah Limited (Islamic Banking)
Allied Bank Limited (Islamic Banking)

Legal Advisors
Hyder Ali Khan
Partner, Advocate High Court
Fazle Ghani Advocates

Registered and Head Office:
Office No. 601, 6th Floor,
Syedna Tahir Saifuddin Foundation Building,
Beaumont Road, Civil Lines, Karachi.
Phone: (021)35930000

Lahore Branch:
Office No. 602-B,
6th Floor, City Towers,
Gulberg-II,
Lahore.

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

Registrars & Share Registration Office
Famco Associates (Private) Limited
8-F, Next to Hotel Faran, Nursery,
Block 6, P.E.C.H.S., Shahra-e-Faisal,
Karachi.
Tel: (92-21) 34380101-5
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Directors' Review

For the period ended September 30, 2017

The Board of Directors of ORIX Services Pakistan (Private) Limited, the management company of ORIX Modaraba is pleased to present the unaudited accounts for the three months period ended September 30, 2017.

1. Economic Outlook

Pakistan's GDP growth continued to increase and was 5.3 percent in FY2017. After a weak performance in FY2016, the agricultural sector picked up during FY2017 and grew at 3.5 percent due to better cotton, sugarcane, and maize crops. The services sector, which accounts for approximately 60 percent of the economy, grew 6.0 percent in FY2017 surpassing the target of 5.7 percent. On the demand side, growth was again dominated by domestic consumption, which accounted for an overwhelming 92 percent of GDP in FY2017, and contributed 8.4 percentage points towards GDP growth (moderated by a negative contribution of 3.7 percent from net exports). Strong aggregate demand and improving business sentiments were evident in private sector credit growth of 18.2 percent, expanding by PKR 748 billion in FY2017 compared to PKR 446.5 billion in FY2016. Low inflation and low interest rates also contributed to higher credit growth. An increase in foreign investment flows from China (to fund CPEC projects) has also contributed to growth.

Country's external account and international reserves came under stress at the end of FY2017 because of a high and widening current account deficit. The Foreign Exchange reserve stood at USD 13.8 billion which are on declining trend since October 2016 when reserve was USD 18.9 billion. The key driver is a very large trade deficit and recovering oil prices, which is partly due to declining exports and high import growth. Imports have grown partly because of CPEC related projects. External borrowing helped keep reserves at relatively comfortable levels in FY2017, despite the large trade deficit.

Macroeconomic risks have increased substantially during FY2017. The external balance is particularly vulnerable given the persistent current account deficit, affecting the country's reserve position. Improving the external balance hinges upon a revival in exports, a slowdown in imports and stable remittance flows. In absence of any of these factors, the persistent current account deficit will put further pressure on already dwindling reserves. The fiscal position is also expected to deteriorate during the election cycle, which would affect debt trends and maintain debt at the current high level.

2. Financial Highlights

Financial results are summarized as under:

	September 30, 2017	June 30, 2017
	(PKR '000')	
Balance Sheet		
Certificate capital	**453,835**	453,835
Total equity	**1,053,783**	1,150,119
Investment in Ijarah finance and Ijarah Assets	**4,363,313**	4,451,385
Investments in Diminishing Musharika and Sukuks	**1,080,492**	997,672
Redeemable capital	**2,455,175**	2,750,750

	Quarter ended September 30, 2017	Quarter ended September 30, 2016
	(PKR '000')	
Profit and Loss		
Revenue (net of Ijarah assets depreciation)	**113,239**	117,543
Financial charges	**51,365**	52,817
Reversal of provisions-net	**395**	1,701
Operating expenses	**32,129**	31,681
Profit before Modaraba management company's remuneration	**30,140**	34,745
Net profit	**26,200**	30,203

3. Review of Operations

During the period under review the Modaraba's gross revenue increased by 5.28% from Rs. 469.20 million to Rs. 493.97 million as compared to corresponding period of last year. Due to increase in Ijarah assets depreciation of Ijarah assets increased by 8.94% from Rs. 360.87 million to Rs. 393.15 million, whereas, financial charges decreased by 2.75% from Rs. 52.82 million to Rs. 51.37 million. Net profit decreased by 13% from Rs. 30.203 million to Rs. 26.200 million as compared to corresponding period of last year mainly due to recovery of nonperforming assets during the corresponding period of last year. The portfolio of Ijarah finance, Sukuk investment and Diminishing Musharika finances stood at Rs. 5,444 million compared to Rs. 5,449 million as at June 30, 2017, showing a marginal increase of 0.10% within the three months period. The asset portfolio has a good mix of multi-nationals, large and medium sized local corporate and selective SME relationships.

Your Modaraba maintains a well diversified asset portfolio comprising of plant & machinery, motor vehicles and equipment. Moreover, the sector wise exposure is closely monitored. During the period under review, the Modaraba booked fresh disbursements to the tune of Rs. 814 million as compared to Rs. 587 million during the corresponding period last year.

Your Modaraba, while remaining cautious and prudent, is focused to take benefit of good opportunities that add value to all stake holders. Our prudent and proactive risk management approach has always helped us to maintain a leading position in the Modaraba sector. We will continue to place emphasis on customer service with focus on quality clientele.

4. Credit Rating

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

5. Acknowledgement

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



Shaheen Amin
Chairman
October 20, 2017

ڈائریکٹرز کا جائزہ
۳۰ ستمبر ۲۰۱۷ کو اختتام پذیر مدت کے لیے

۳۰ ستمبر ۲۰۱۷ کو اختتام پذیر سہ ماہی (تین ماہ کی مدت) کے لیے اورکس مضاربہ کی انتظامی کمپنی اورکس سروسز پاکستان (پرائیوٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز اپنے ڈائریکٹر کی رپورٹ بمع غیر مختسب شدہ (unaudited) مالیاتی دستاویزات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

۱۔ معیشت منظر نامہ

پاکستان کی مجموعی قومی پیداوار میں اضافہ جاری رہا اور سال ۲۰۱۷ میں شرح نمو ۵٫۳ فیصد رہی۔ سال ۲۰۱۶ میں کمزور کارکردگی کے بعد، زراعت کے شعبے میں ۵٫۳ فیصد اضافہ ہوا جس کی وجہ کپاس، گنا اور مکئی کی بہتر فصلیں رہیں۔ خدمات کا شعبہ، جو معیشت کا تقریباً ۶۰ فیصد ہے، اس میں سال ۲۰۱۷ میں ۶ فیصد اضافہ ہوا اور ۵٫۷ فیصد کے ہدف کو عبور کیا۔ طلب کی سمت میں بھی اضافے میں ملکی کھپت نمایاں رہی جو سال ۲۰۱۷ میں مجموعی پیداوار کا نمایاں طور پر ۹۲ فیصد رہی، جس کا مجموعی قومی پیداوار میں ۸٫۴ فیصد حصہ تھا (جس کو خالص برآمدات کی ۳٫۷ فیصد کمی نے معتدل کیا)۔ مستحکم مجموعی طلب اور کاروباری احساسات میں بہتری نجی شعبے میں ۱۸٫۲ فیصد کی نمو جس کی مالیت سال ۲۰۱۶ کے ۷۴۸ ملین روپے کے مقابلے میں سال ۲۰۱۷ میں بڑھ کر اس کی مالیت ۴۴۶٫۵ ملین روپے ہوگئی۔ کم افراطِ زر اور کم سودی نرخ نے میں بھی قرضوں کی بڑھی ہوئی نمو میں حصہ ڈالا۔ چین سے غیر ملکی سرمایہ کے بہاؤ (CPEC کے منصوبوں کی سرمایہ کاری کے لیے) نے بھی نمو میں حصہ ڈالا۔

ملک کا بیرونی کھاتہ اور غیر ملکی زرِ مبادلہ کے (بین القوامی) ذخائر بھی سال ۲۰۱۷ کے آخر میں دباؤ میں آئے جس کی وجہ جاری کھاتے کا زیادہ اور بڑھتا ہوا خسارہ تھا۔ غیر ملکی زرِ مبادلہ کے ذخائر ۱۳٫۸ ارب امریکی ڈالر رہے جس میں اکتوبر ۲۰۱۶ سے کمی کا رجحان ہے۔ اس کا بنیادی محرک بہت بڑا تجارتی خسارہ، تیل کی قیمتوں کی بحالی ہیں جس کی وجہ گرتی ہوئی برآمدات اور بلند درآمدات کی نمو ہیں۔ درآمدات میں اضافہ CPEC سے متعلق منصوبوں کی وجہ سے ہوا۔ بڑے تجارتی خسارے کے باوجود سال ۲۰۱۷ میں بیرونی قرضہ کے ذخائر کی سطح اطمینان بخش رہی۔

سال ۲۰۱۷ میں کلّی معیشت (Macroeconomic) کے خطرات کافی حد تک بڑھ چکے ہیں۔ مسلسل جاری کھاتے کا خسارہ کی وجہ سے خاص طور پر بیرونی توازن خراب ہے جو ملک کے ذخائر کو متاثر کر رہا ہے۔ بیرونی توازن کا انحصار برآمدات کی بحالی، درآمدات میں کمی اور مستحکم ترسیل زر کے بہاؤ پر ہے۔ ان عوامل کی غیر موجودگی میں مسلسل جاری کھاتے کا خسارہ گرتے ہوئے ذخائر پر مزید دباؤ ڈالے گا۔ توقع ہے کہ انتخابی دورانیہ میں اقتصادی صورتحال میں مزید خراب ہوگی جو قرضوں کے رجحان کو متاثر کرے گی اور قرضوں کو موجودہ بلند سطح پر رکھے گا۔

۲۔ عملی نتائج اور کاروباری جائزہ:

بیلنس شیٹ

	۳۰ ستمبر ۲۰۱۷	۳۰ جون ۲۰۱۷
	روپے ہزار میں	
سرٹیفیکٹ سرمایہ	۴۵۳،۸۳۵	۴۵۳،۸۳۵
کل حصص	۱،۰۵۳،۷۸۳	۱،۱۵۰،۱۱۹
اجارہ فنانس اور اجارہ اثاثہ میں سرمایہ کاری	۴،۳۶۳،۳۱۳	۴،۴۵۱،۳۸۵
مشارکہ متناقصہ اور سُکوک میں سرمایہ کاری	۱،۰۸۰،۴۹۲	۹۹۷،۶۷۲
قابلِ بازیابی سرمایہ	۲،۴۵۵،۱۷۵	۲،۷۵۰،۷۵۰

نفع ونقصان:	اختتام پذیر ۳ماہ کی مدت	
	۳۰ ستمبر ۲۰۱۷	۳۰ ستمبر ۲۰۱۶
	روپے ہزار میں	
ریونیو (محاصل) اجارہ کے اثاثہ جات کی فرسودگی کا کُل۔	۱۱۳،۲۳۹	۱۱۷،۵۴۳
مالیاتی چارجز	۵۱،۳۶۵	۵۲،۸۱۷
(ریورسل) / دفعات اور نقائص	۳۹۵	۱،۷۰۱
کاروبار چلانے کے اخراجات (آپریٹینگ اخراجات)	۳۲،۱۲۹	۳۱،۶۸۱
منافع قبل از انتظامی فیس	۳۰،۱۴۰	۳۴،۷۴۵
خالص منافع	۲۶،۲۰۰	۳۰،۲۰۳

۳۔ آپریشن کا جائزہ

زیر جائزہ مدت کے دوران، مضاربہ کا مجموعی محصولات (gross revenue) گذشتہ سال کی اسی مدت کی مالیت ۴۶۹ء۲۰۷ ملین روپے میں ۲۸ء۵ فیصد اضافے کے ساتھ ۴۹۳ء۹۷ ملین روپے رہی۔ اجارہ اثاثہ جات کے کاروبار میں اضافے سے اجارہ اثاثہ جات کی فرسودگی (depreciation) کی مالیت میں ۹۴ء۸ فیصد اضافے کے ساتھ ۳۶۰ء۸۷ ملین روپے سے بڑھ کر ۳۹۳ء۱۵ ملین روپے ہوگئی، جبکہ مالیاتی چارجز ۲ء۷۵ فیصد کمی کے ساتھ ۵۲ء۸۲ ملین روپے سے گھٹ کر ۵۱ء۳۷ ملین روپے ہوگئے۔ خالص منافع ۱۳ فیصد کمی کے ساتھ اس کی مالیت گذشتہ سال اسی مدت کے ۳۰ء۲۰۳ ملین روپے سے کم ہو کر ۲۶ء۲۰۰ ملین روپے ہو گیا جس کی وجہ گذشتہ سال اسی مدت میں غیر کارکردگی دکھانے والے اثاثہ جات کی وصولی ہے۔ اجارہ سرمایہ کاری، سکوک سرمایہ کاری اور مشارکہ متناقصہ کی سرمایہ کاری کا پورٹ فولیو ۳۰ جون ۲۰۱۷ کے ۵،۴۴۹ ملین روپے کے مقابلے میں ۵،۴۴۴ ملین روپے رہا جو تین ماہ کی مدت میں ۰ء۱ فیصد کی معمولی کمی دکھا رہا ہے۔ اثاثہ جات کا پورٹ فولیو بین القوامی کمپنیاں، بڑی اور درمیانی مقامی ادارے اور منتخب SMEs کا ایک بہتر آمیزہ (mix) ہے۔

آپ کے مضاربہ نے پلانٹ اور مشینری، گاڑیاں اور آلات پر مشتمل اثاثہ جات ایک بہتر متنوع پورٹ فولیو کو برقرار رکھا ہے۔ علاوہ ازیں، سیکٹر کے کاروبار کی کڑی نگرانی کی جاتی ہے۔ زیر غور مدت میں مضاربہ نے ۸۱۴ ملین روپے مالیت کے نئے قرضہ جات کے وعدے کیے جبکہ گذشتہ سال اسی مدت میں ان کی مالیت ۵۸۷ ملین روپے تھی۔

آپ کے مضاربہ نے، چوکنا اور محتاط رہتے ہوئے، اپنی توجہ اچھے کاروباری مواقعوں سے فائدہ اٹھانے پر مرکوز رکھی جو تمام شرکاء مفاد کی قدر میں اضافہ کر سکے۔ ہماری محتاط اور جارحانہ کاروباری خطرے سے انتظامی حکمت عملی نے ہمیشہ ہمیں اپنی مضاربہ سیکٹر میں ممتاز مقام برقرار رکھنے میں مدد کی ہے۔ ہم اپنی توانائی گاہکوں کی خدمت اور توجہ معیاری گاہکوں پر رکھیں گے۔

۴۔ کریڈٹ درجہ بندی (ریٹنگ)

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے آپ کے مضاربہ کی طویل المدت اور قلیل المدت درجہ بندی بالترتیب "AA" اور A1+ تفویض کی ہیں۔ یہ درجہ بندیاں قرضہ جاتی خطرات کی کم توقعات اور مالیاتی ادائیگی کے وعدوں کی بروقت ادائیگی کی غیر معمولی صلاحیت ظاہر کرتی ہیں۔

۵۔ اعتراف

بورڈ، ریگولیٹری اداروں، سرٹیفکیٹس کنندگان، گاہکوں اور کاروباری شرکاء کی حمائت کو سراہتا ہے اور مستقبل میں ان کی حمایت کی امید رکھتا ہے۔

بورڈ کی جانب سے



شاہین امین
چیئرمین
کراچی: ۲۰ اکتوبر ۲۰۱۷

CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30 2017

	Note	(Un-audited) September 30, 2017	(Audited) June 30, 2017
ASSETS		(Rupees)	
Current assets			
Cash and bank balances	5	**327,142,285**	367,303,155
Ijarah rentals receivable	6	**109,353,094**	91,089,736
Advances, deposits, prepayments and other receivables		**40,491,093**	21,232,314
Current portion of investment in Sukuk certificates	7	**-**	-
Current portion of Diminishing Musharika	8	**131,447,102**	102,085,412
Net investment in Ijarah finance	9	**370,000**	370,000
Taxation recoverable		**8,730,468**	8,728,486
Total current assets		**617,534,042**	590,809,103
Non-current assets			
Long-term portion of investment in Sukuk certificates	7	**-**	-
Long-term portion of Diminishing Musharika	8	**949,044,818**	895,586,920
Ijarah assets	9	**4,362,943,359**	4,451,014,738
Fixed assets in own use	10	**24,937,474**	24,880,350
Total non-current assets		**5,336,925,651**	5,371,482,008
TOTAL ASSETS		**5,954,459,693**	5,962,291,111
LIABILITIES AND EQUITY			
Current liabilities			
Current maturity of Musharika term finance arrangements	11	**200,000,000**	200,000,000
Current maturity of security deposits		**210,964,747**	232,944,591
Creditors, accrued and other liabilities		**495,667,704**	198,718,280
Advance Ijarah rentals received		**40,919,442**	39,856,039
Current portion of redeemable capital		**2,454,975,000**	2,750,550,000
Profit distribution payable	12	**167,974,967**	45,495,028
Total current liabilities		**3,570,501,860**	3,467,563,938
Non-current liabilities			
Long-term portion of Musharika term finance arrangements	11	**697,000,000**	747,000,000
Long-term portion of security deposits		**632,974,584**	597,408,179
Long-term portion of redeemable capital		**200,000**	200,000
Total non-current liabilities		**1,330,174,584**	1,344,608,179
TOTAL LIABILITIES		**4,900,676,444**	4,812,172,117
CERTIFICATE HOLDERS' EQUITY			
Certificate capital			
Authorised certificate capital			
50,000,000 (June 30, 2017: 50,000,000) certificates of Rs. 10 each		**500,000,000**	500,000,000
Issued, subscribed and paid-up certificate capital			
28,500,000 (June 30, 2017: 28,500,000) certificates of Rs. 10 each fully paid in cash		**285,000,000**	285,000,000
16,883,530 (June 30, 2017: 16,883,530) bonus certificates of Rs. 10 each		**168,835,300**	168,835,300
		453,835,300	453,835,300
Unappropriated profit		**58,082,956**	155,728,890
Other reserves		**541,864,993**	540,555,004
		1,053,783,249	1,150,118,994
TOTAL LIABILITIES AND EQUITY		**5,954,459,693**	5,962,291,111
CONTINGENCIES AND COMMITMENTS	13		

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

For ORIX Services Pakistan (Private) Limited
(formerly Standard Chartered Services of Pakistan (Private) Limited)
(Management Company)



Chairman



Chief Executive



Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	Note	Quarter ended September 30, 2017	Quarter ended September 30, 2016
		(Rupees)	
Ijarah rentals earned		**468,969,909**	438,958,330
Income on Diminishing Musharika arrangements		**22,832,285**	26,773,370
Income on deposits with banks		**2,168,478**	3,471,092
		493,970,672	469,202,792
Financial charges		**(51,364,712)**	(52,817,394)
Depreciation on assets under Ijarah arrangements		**(393,149,656)**	(360,871,755)
		49,456,304	55,513,643
Reversal of provision in respect of Ijarah finances - net		**395,133**	1,701,351
		49,851,437	57,214,994
Other income		**12,417,934**	9,211,589
Administrative and operating expenses		**(32,129,039)**	(31,681,496)
		30,140,332	34,745,087
Management Company's remuneration		**(3,014,033)**	(3,474,509)
Provision for services sales tax on Management Company's remuneration	14	**(391,824)**	(451,686)
Reversal / (Provision) for Workers' Welfare Fund	15	**(534,689)**	(616,378)
Profit for the period before taxation		**26,199,786**	30,202,514
Taxation	16	**-**	-
Profit for the period after taxation		**26,199,786**	30,202,514
Other comprehensive income for the period		**-**	-
Total comprehensive income for the period		**26,199,786**	30,202,514
Earnings per certificate - basic and diluted		**0.58**	0.67

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

For ORIX Services Pakistan (Private) Limited
(formerly Standard Chartered Services of Pakistan (Private) Limited)
(Management Company)

Chairman | Chief Executive | Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	Note	Quarter ended September 30, 2017	Quarter ended September 30, 2016
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period before taxation		**26,199,786**	30,202,514
Adjustments for non-cash and other items:			
Depreciation / amortisation on fixed assets in own use		**2,543,112**	4,394,238
Depreciation on Ijarah assets		**393,149,656**	360,871,755
Gain on disposal of Ijarah assets		**(9,327,581)**	(7,528,648)
Reversal of provision in respect of Ijarah finances - net		**(395,133)**	(1,701,351)
Income on deposits with bank		**(2,168,478)**	(3,471,092)
Profit on:			
- Redeemable capital		**32,843,680**	39,562,030
- Musharika finance		**-**	-
- Musharika term finance arrangements		**15,649,837**	4,581,704
Provision for services sales tax on Management Company's remuneration		**391,824**	451,686
Provision for Workers' Welfare Fund		**534,689**	616,378
		433,221,606	397,776,700
		459,421,392	427,979,214
(Increase) / decrease in assets			
Advances, deposits, prepayments and other receivables		**(19,331,967)**	(29,577,577)
Ijarah rentals receivable		**(17,868,225)**	3,218,294
Diminishing Musharika		**(82,819,588)**	(82,360,639)
Purchase of assets under Ijarah arrangements		**(634,792,803)**	(403,673,927)
Proceeds from disposal of assets under Ijarah arrangements		**339,042,107**	97,551,815
		(415,770,476)	(414,842,034)
Increase / (decrease) in liabilities			
Creditors, accrued and other liabilities		**291,536,830**	(14,939,858)
Advance Ijarah rentals received		**1,063,403**	(1,984,702)
Security deposits		**13,586,561**	21,057,029
		306,186,794	4,132,469
		349,837,710	17,269,649
Profit paid on			
- Redeemable capital		**(36,005,624)**	(37,774,004)
- Musharika finances		**-**	(8,915)
- Musharika term finance arrangements		**(7,467,123)**	(5,061,381)
		(43,472,747)	(42,844,300)
Taxes paid		**(536,671)**	-
Net cash generated from / (used in) operating activities		**305,828,292**	(25,574,651)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		**(2,600,236)**	-
Income on deposits with bank		**2,241,666**	-
Net cash generated used in investing activities		**(358,570)**	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Redeemable capital less repayments		**(295,575,000)**	168,160,000
Musharika term finance less repayments		**(50,000,000)**	(59,272,917)
Profit paid to certificate holders		**(55,592)**	(29,883)
Net (decrease) / increase in cash and cash equivalents		**(345,630,592)**	108,857,200
(Decrease) / increase in cash and cash equivalents		**(40,160,870)**	83,282,549
Cash and cash equivalents at the beginning of period		**367,303,155**	257,139,507
Cash and cash equivalents at end of the period	17	**327,142,285**	340,422,056

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

For ORIX Services Pakistan (Private) Limited
(formerly Standard Chartered Services of Pakistan (Private) Limited)
(Management Company)

Chairman | Chief Executive | Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	Paid-up certificate capital	Reserves				Total
		Premium on modaraba certificates	Statutory reserve	Unappropriated profit	Sub-total	
	(Rupees)					
Balance as at June 30, 2016	453,835,300	55,384,700	478,758,263	188,203,919	722,346,882	1,176,182,182
Total comprehensive income for the period						
- Profit for the quarter ended September 30, 2016.	-	-	-	30,202,514	30,202,514	30,202,514
- Other comprehensive income for the quarter	-	-	-	-	-	-
	-	-	-	30,202,514	30,202,514	30,202,514
Profit distribution for the year ended June 30, 2016 @ Rs. 3.4 per certificate	-	-	-	(154,304,002)	(154,304,002)	(154,304,002)
Transfer to statutory reserve	-	-	1,510,126	(1,510,126)	-	-
Balance as at September 30, 2016	453,835,300	55,384,700	480,268,389	62,592,305	598,245,394	1,052,080,694
Balance as at June 30, 2017	453,835,300	55,384,700	485,170,304	155,728,690	696,283,694	1,150,118,994
Total comprehensive income for the period						
- Profit for the quarter ended September 30, 2017	-	-	-	26,199,786	26,199,786	26,199,786
- Other comprehensive income for the quarter	-	-	-	-	-	-
	-	-	-	26,199,786	26,199,786	26,199,786
Profit distribution for the year ended June 30, 2017 @ Rs. 2.7 per certificate	-	-	-	(122,535,531)	(122,535,531)	(122,535,531)
Transfer to statutory reserve	-	-	1,309,989	(1,309,989)	-	-
Balance as at September 30, 2017	453,835,300	55,384,700	486,480,293	58,082,956	599,947,949	1,053,783,249

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

For ORIX Services Pakistan (Private) Limited
(formerly Standard Chartered Services of Pakistan (Private) Limited)
(Management Company)



Chairman



Chief Executive



Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

1. STATUS AND NATURE OF BUSINESS

ORIX Modaraba (formerly Standard Chartered Modaraba) ('the Modaraba') was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder and is managed by ORIX Services Pakistan (Private) Limited (formerly Standard Chartered Services of Pakistan (Private) Limited) ('the Management Company'). The Management Company is a wholly owned subsidiary of ORIX Leasing Pakistan Limited. The registered office is situated at 6th Floor, Syedna Tahir Saif-u-ddin Trust Building, Beaumont Road, Civil Line, Karachi, Pakistan.

The Modaraba is a perpetual Modaraba and is primarily engaged in leasing / Ijarah of plant, machinery, motor vehicles (both commercial and private) and computer equipment, etc. The Modaraba may also invest in commercial and industrial ventures suitable for the Modaraba. The Modaraba is listed on the Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange, in which the Lahore and Islamabad stock exchanges have merged).

The Pakistan Credit Rating Agency Limited (PACRA) has assigned long term rating of AA and short term rating of A1+ to the Modaraba.

2. BASIS OF PREPARATION

2.1 Statement of compliance

a) These financial statements have 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, Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Islamic Financial Accounting Standards (IFASs) and the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Islamic Financial Accounting Standards (IFASs) or the directives issued by the SECP prevail.

SECP vide its press release dated 20 July 2017 (which is further clarified by the Institute of Chartered Accountants of Pakistan vide its Circular 17 on 'Clarification on SECP's Circular No. 23 'Preparation of Financial Statements under the Companies Act 2017' dated October 06, 2017), these condensed interim financial statements have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984. The new requirements of the Companies Act, 2017 shall be applicable to the interim financial statements of Modaraba for the periods ending after December 31, 2017. The application of Companies Act, 2017 will require additional disclosures in the financial statements of the Modaraba.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34; 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Modaraba for the year ended June 30, 2017.

The comparative balance sheet presented in this condensed interim financial information as at September 30, 2017 has been extracted from the audited financial statements of the Modaraba for the year ended June 30, 2017, whereas the comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity have been extracted from the condensed interim financial information for the period ended September 30, 2016.

b) During the year ended June 30, 2008, Islamic Financial Accounting Standard 2 'Ijarah' issued by the Institute of Chartered Accountants of Pakistan which was notified by the Securities and

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

Exchange Commission of Pakistan vide an SRO 431(1)/2007 dated 5 May 2007 was adopted. Under the above IFAS 2, the 'Ijarah' transactions are accounted for in the following manner:

Muj`ir (lessors) shall present the assets subject to Ijarah in their balance sheet according to the nature of the asset, distinguished from the assets in own use.

Costs, including depreciation on the assets given on Ijarah, incurred in earning the Ijarah income shall be recognised as an expense.

Ijarah income shall be recognised in income on an accrual basis as and when the rental becomes due, unless another systematic basis is more representative of the time pattern in which the benefit of the use derived from the leased asset is diminished.

SECP, vide its letter No. SC/ M/ RW/ SCM /2009 dated 09 March 2009, allowed that in case of Modarabas, IFAS 2 shall be applied for Ijarah transactions executed on or after July 01, 2008. Accordingly, the Modaraba has accounted for leasing transactions executed before July 01, 2008 as finance leases and has treated the leasing transactions executed on or after 01 July 2008 in accordance with the requirements of IFAS 2.

2.2 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is also the Modaraba's functional currency and all financial information presented has been rounded off to the nearest rupee.

2.3 Significant accounting estimates and judgements

The preparation of this condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. However, actual results may differ from these estimates. In preparing this condensed interim financial information the significant judgements made by the management in applying the Modaraba's accounting policies and the key sources of estimates and uncertainty were the same as those that were applied to the financial statements for the year ended June 30, 2017.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Modaraba as at and for the year ended June 30, 2017. Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Modaraba's operations and did not have any impact on the accounting policies of the Modaraba.

4. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Modaraba are consistent with those disclosed in the annual financial statements as at and for the year ended June 30, 2017.

5.1 These carry profit at rate ranging between 2.89% - 5.25% per annum (June 2017: 3.14% - 5.25%). The

	Note	(Un-audited) September 30, 2017	(Audited) June 30, 2017
5. CASH AND BANK BALANCES		(Rupees)	
Balances with banks			
- in current accounts		**143,741**	143,741
- in deposit accounts	5.1	**326,938,544**	367,120,881
Cash in hand		**60,000**	38,533
		327,142,285	367,303,155

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

balances with banks in deposit accounts have been kept in order to comply with the requirement of guidelines issued by the Securities and Exchange Commission of Pakistan (SECP) with respect to the maintenance of prescribed liquidity against the Certificates of Musharika issued by the Modaraba.

	Note	(Un-audited) September 30, 2017	(Audited) June 30, 2017
		(Rupees)	
6. IJARAH RENTALS RECEIVABLE			
Ijarah rentals receivable - considered good	6.1	**109,353,094**	91,089,736
Ijarah rentals receivable - considered bad or doubtful		**30,771,533**	31,293,120
Less: allowance for potential Ijarah losses	6.2	**(11,502,868)**	(11,898,001)
Less: profit held in suspense	6.3	**(19,268,665)**	(19,395,119)
		-	-
		109,353,094	91,089,736

6.1 This includes an amount due from key management personnel aggregated to Rs. 153,243 (June 30, 2017: Rs.152,711).

	(Un-audited) September 30, 2017	(Audited) June 30, 2017
	(Rupees)	
6.2 Allowance for potential Ijarah losses		
Opening balance	**11,898,001**	23,485,365
(Reversal) for the period / year	**(395,133)**	(11,587,364)
Amount written off during the period / year	**-**	-
Closing balance	**11,502,868**	11,898,001
6.3 Profit held in suspense		
Opening balance	**19,395,119**	18,942,755
Income (reversed) / suspended during the period / year - net	**(126,454)**	452,364
Income write off during the period / year	**-**	-
Closing balance	**19,268,665**	19,395,119

7. INVESTMENT IN SUKUK CERTIFICATES

Held-to-maturity investments		
Investment in Sukuk certificates	**57,701,835**	57,701,835
Less: Provision in respect of Sukuk certificates	**(57,701,835)**	(57,701,835)
	-	-
Less: Current portion of investment in Sukuk Certificates	**-**	-
	-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	Note	(Un-audited) September 30, 2017	(Audited) June 30, 2017
		(Rupees)	
8. DIMINISHING MUSHARIKA			
- **Staff**			
Housing finance		**100,442,075**	95,389,320
Others		**2,571,614**	2,760,819
	8.1	**103,013,689**	98,150,139
- **Other Customers**			
Housing finance		**588,360,657**	620,937,375
Others		**389,117,574**	278,584,818
		977,478,231	899,522,193
		1,080,491,920	997,672,332
Less: current portion of Diminishing Musharika		**(131,447,102)**	(102,085,412)
		949,044,818	895,586,920

8.1 This includes diminishing musharika facility availed by key management personnel with respect to housing finance and personal finance amounted to Rs. 66.214 million (June 2017: Rs. 66.937 million) and Rs. 1.545 million (June 2017: Rs. 1.717 million) respectively.

	(Un-audited) September 30, 2017	(Audited) June 30, 2017
	(Rupees)	
9. NET INVESTMENT IN IJARAH FINANCE		
Ijarah contracts commencing on or after July 1, 2008		
- accounted for under IFAS 2	**4,362,943,359**	4,451,014,738
Ijarah contracts prior to July 1, 2008		
- accounted for as finance leases	**370,000**	370,000
Less: Current portion of net investment in Ijarah finance	**(370,000)**	(370,000)
	-	-

	(Un-audited) September 30, 2017	(Un-audited) September 30, 2016
Ijarah Assets	(Rupees)	
Additions at cost during the period		
- Plant, machinery and equipments	**200,531,084**	143,068,290
- Motor vehicles	**434,261,719**	260,605,637
	634,792,803	403,673,927
Disposals at cost during the period		
- Plant, machinery and equipments	**328,289,033**	176,832,232
- Motor vehicles	**451,544,036**	131,389,047
	779,833,069	308,221,279

9.1 Ijarah facility extended to key management personnel as per HR policies having net book value amounting to Rs. 8.047 million (June 2017: Rs. 10.407 million).

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

		(Un-audited) September 30, 2017	(Audited) June 30, 2017
10. FIXED ASSETS IN OWN USE		(Rupees)	
Tangible assets		**23,126,593**	22,839,962
Intangible assets		**1,810,881**	2,040,388
		24,937,474	24,880,350
11. PROFIT DISTRIBUTION PAYABLE			
Profit distribution payable for the year ended June 30, 2017	11.1 & 11.2	**122,535,531**	-
Unclaimed profit distribution		**45,439,436**	45,495,028
		167,974,967	45,495,028

11.1 The Board of Directors of the Management Company in their meeting held on August 30, 2017 approved a cash distribution of Rs. 2.7 per certificate for the year ended June 30, 2017. Payment of the dividend is in process.

11.2 This includes dividend payable to ORIX Leasing Pakistan Limited (holding company) and ORIX Services Pakistan (Private) Limited - Management company amounting to Rs 12.25 million and Rs. 12.25 million respectively.

	(Un-audited) September 30, 2017	(Audited) June 30, 2017
12. MUSHARIKA TERM FINANCE	(Rupees)	
Musharika with other banks	**897,000,000**	947,000,000
Less: Current portion of musharika term finance	**(200,000,000)**	(200,000,000)
	697,000,000	747,000,000

13. CONTINGENCIES AND COMMITMENTS

13.1 Commitments

The Modaraba has issued letters of comfort to Bank Islami Pakistan Limited equal to an amount of Rs. 27.24 million on behalf of Safina Foods (Pvt) Limited.

14. PROVISION FOR SERVICES SALES TAX ON MANAGEMENT COMPANY'S REMUNERATION

Pursuant to Order number SRB-COM-I/AC-V/Mgt/SCSOP/5878/2012 of the Sindh Revenue Board (SRB) dated 22 April 2013, the Modaraba has recorded a provision in respect of Sindh sales tax on Management Company's remuneration at applicable rates with effect from 1 November 2011. The Management Company has filed an appeal before the Appellate Tribunal SRB against this order. The Appellate Tribunal SRB through its order dated 19 February 2016 allowed the appeal and set aside the order-in-original and order-in-appeal and remanded back the case to the assessing officer for re-assessment. Thereafter, on 8 April 2016, the assessing officer issued a fresh notice to the Management Company. Against the notice, the Management Company has filed an appeal before the Honorable Sindh High Court. As an interim relief, the Court vide its Order dated 13 October 2016 has stopped the assessing authorities to pass any final order till the culmination of its proceedings. The case is pending to date.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

15 PROVISION FOR WORKERS' WELFARE FUND

Vide letter no. SRB /DC-A(W)/2017/Rep/4760 dated 16 January 2017, the Sindh Revenue Board (SRB) has advised the Modaraba to pay off all its liabilities falling due under the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act). As per SWWF Act, Workers' Welfare Fund (WWF) levy is required to be paid on total income accruing after 31 December 2013. The management considers that the SWWF Act is limited only to the province of Sindh and till the time there is any mechanism available for apportionment of total income relevant to province of Sindh, no WWF liability to SRB can be paid out. On these grounds, foreseeing the expected WWF demand and penal actions from SRB, the Modaraba has filed an appeal with the Honorable Sindh High Court which is pending to date. The management has accrued for WWF liability for the period from 2014 to 2017 in these financial statements considering it as prudent.

16. TAXATION

As per the Second Schedule to the Income Tax Ordinance, 2001, the income of a non-trading modaraba is exempt from income tax provided that it distributes at least 90% of its profits to its certificate holders for the year after making appropriation for statutory reserves. The Modaraba intends to continue to avail this exemption by distributing 90% of its profits to its certificate holders after making appropriation to statutory reserves for the year ending June 30, 2018. Accordingly, no provision in respect of current and deferred taxation has been made in this condensed interim financial information.

17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise of the following balance sheet amounts:

	Note	(Un-audited) September 30, 2017	(Un-audited) September 30, 2016
		(Rupees)	
Cash and bank balances	5	**327,142,285**	358,893,756
Musharika finance	11	**-**	(18,471,700)
		327,142,285	340,422,056

18. RELATED PARTIES TRANSACTIONS

The related parties of the Modaraba include the management company, staff retirement funds, directors and key management personnel and ORIX Leasing Pakistan Limited. Transactions with related parties other than remuneration and benefits to key management personnel (which are employed by the management company) under the terms of their employment are as follows:

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	(Un-audited) Quarter ended September 30, 2017	(Un-audited) Quarter ended September 30, 2016
	(Rupees)	
ORIX Leasing Pakistan Limited - Holding Company of the Management Company		
Dividend	**12,253,553**	15,430,400
Staff retirement benefits funds		
Contribution to the staff provident fund	**859,678**	757,533
Contribution to the staff gratuity fund	**716,105**	631,012
ORIX Services Pakistan (Private) Limited - Management Company		
Management company's remuneration	**3,014,033**	3,474,509
Dividend	**12,253,553**	15,430,400
Rent reimbursement	**247,500**	-
Key Management Personnel		
Salaries and benefits	**13,080,011**	13,108,461
Contribution to the staff provident fund	**331,768**	349,808
Contribution to the staff gratuity fund	**276,362**	291,385
Income earned on DM finances to Key management personnel	**1,376,192**	804,130
Ijarah rental earned on Ijarah finances to Key management personnel	**829,658**	404,228
Number of persons	**7**	8

The Modaraba enters into transactions with related parties based on a transfer pricing policy under which all transactions are carried out on agreed terms. The balances with related parties other than balances that have been disclosed in the respective notes are as follows:

	(Un-audited) September 30, 2017	(Audited) June 30, 2017
	(Rupees)	
ORIX Services Pakistan (Private) Limited - Management Company		
Management company's remuneration payable	**16,610,417**	13,596,384
Rent reimbursement	**1,210,161**	962,661
Staff retirement benefits funds		
Receivable from staff provident fund	**808,633**	808,633
Receivable from staff gratuity fund	**31,016**	31,016

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Modaraba is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' requires the Modaraba to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e.,' derived from prices) (level 2); and

- inputs for the assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

As at September 30, 2017 and June 30, 2017, there were no financial instruments which were measured at fair values in the financial statements.

19.1 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:

		As at September 30, 2017									
		Carrying value						Fair value			
		Held for trading	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Note	(Rupees)									
Financial assets not measured at fair value	19.2										
Cash and bank balances		-	-	**327,142,285**	-	-	**327,142,285**	-	-	-	-
Ijarah rentals receivable		-	-	**109,353,094**	-	-	**109,353,094**	-	-		
Advances, deposits and other receivables		-	-	**32,672,444**	-	-	**32,672,444**	-	-	-	-
Diminishing Musharika		-	-	**1,080,491,920**	-	-	**1,080,491,920**	-	-	-	-
Taxation recoverable		-	-	**8,730,468**	-	-	**8,730,468**	-	-	-	-
Investment in Sukuk certificates		-	-	-	-	-	-	-	-	-	-
Total		-	-	**1,558,390,211**	-	-	**1,558,390,211**	-	-	-	-
Financial liabilities not measured at fair value	19.2										
Musharika finance		-	-	-	-	-	-	-	-	-	-
Musharika term finance		-	-	-	-	**897,000,000**	**897,000,000**	-	-	-	-
Security deposits		-	-			**843,939,331**	**843,939,331**				
Creditors, accrued and other liabilities		-	-	-	-	**481,490,454**	**481,490,454**	-	-	-	-
Redeemable capital		-	-	-	-	**2,455,175,000**	**2,455,175,000**	-	-	-	-
Unclaimed profit distribution		-	-	-	-	**167,974,967**	**167,974,967**	-	-	-	-
Advance Ijarah rentals received		-	-	-	-	**40,919,442**	**40,919,442**	-	-	-	-
Total		-	-	-	-	**4,886,499,194**	**4,886,499,194**	-	-	-	-

		30 June 2017									
		Carrying value						Fair value			
		Held for trading	Available for sale	Loans and receivables	Other financial	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Note	(Rupees)									
Financial assets not measured at fair value	19.2										
Cash and bank balances		-	-	367,303,155	-	-	367,303,155	-	-	-	-
Ijarah rentals receivable		-	-	91,089,736	-	-	91,089,736				
Advances, deposits and other receivables		-	-	8,186,748	-	-	8,186,748	-	-	-	-
Diminishing Musharika		-	-	997,672,332	-	-	997,672,332				
Taxation recoverable		-	-	8,728,486	-	-	8,728,486	-	-	-	-
Investment in Sukuk certificates		-	-	-	-	-	-	-	-	-	-
Total		-	-	1,472,980,457	-	-	1,472,980,457	-	-	-	-
Financial liabilities not measured at fair value	19.2										
Murabaha finance		-	-	-	-	-	-	-	-	-	-
Musharika term finance		-	-	-	-	947,000,000	947,000,000	-	-	-	-
Security deposits		-	-			830,352,770	830,352,770				
Creditors, accrued and other liabilities		-	-	-	-	185,075,719	185,075,719	-	-	-	-
Redeemable capital		-	-	-	-	2,750,750,000	2,750,750,000	-	-	-	-
Unclaimed profit distribution		-	-	-	-	45,495,028	45,495,028	-	-	-	-
Advance Ijarah rentals received						39,856,039					
		-	-	-	-	-	-	-	-	-	-
Total		-	-	-	-	4,798,529,556	475,8573,517	-	-	-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

19.2 These financial assets and liabilities are for short term or repriced over short term. Therefore their carrying amounts are reasonable approximation of fair value.

20. SEGMENT INFORMATION

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

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

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

The Modaraba is domiciled in Pakistan. All of the Modaraba's income is from investments in entities incorporated in Pakistan.

The Modaraba has a diversified product portfolio whereby resources have been allocated.

The Modaraba also has a diversified certificate holder population. As at September 30, 2017, there were only two (June 30, 2017: two) certificate holders who each held more than 10% of the Modaraba's certificate capital. Their holdings were 10% and 10% (June 30, 2017: 10% and 10%) respectively.

21. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison and better presentation. There were no major reclassifications in this condensed interim financial information during the current period.

22. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on October 20, 2017 by the Board of Directors of the Management Company.

For ORIX Services Pakistan (Private) Limited
(formerly Standard Chartered Services of Pakistan (Private) Limited)
(Management Company)



Chairman



Chief Executive



Director

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