

ORIX Leasing Pakistan Limited



PASSION TO SUCCEED

ANNUAL REPORT 2015





PASSION TO SUCCEED

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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VISION

ORIX aims to maximize shareholders' value by drawing on its extensive array of specialized capabilities to continuously provide our customers with value added financial solutions.

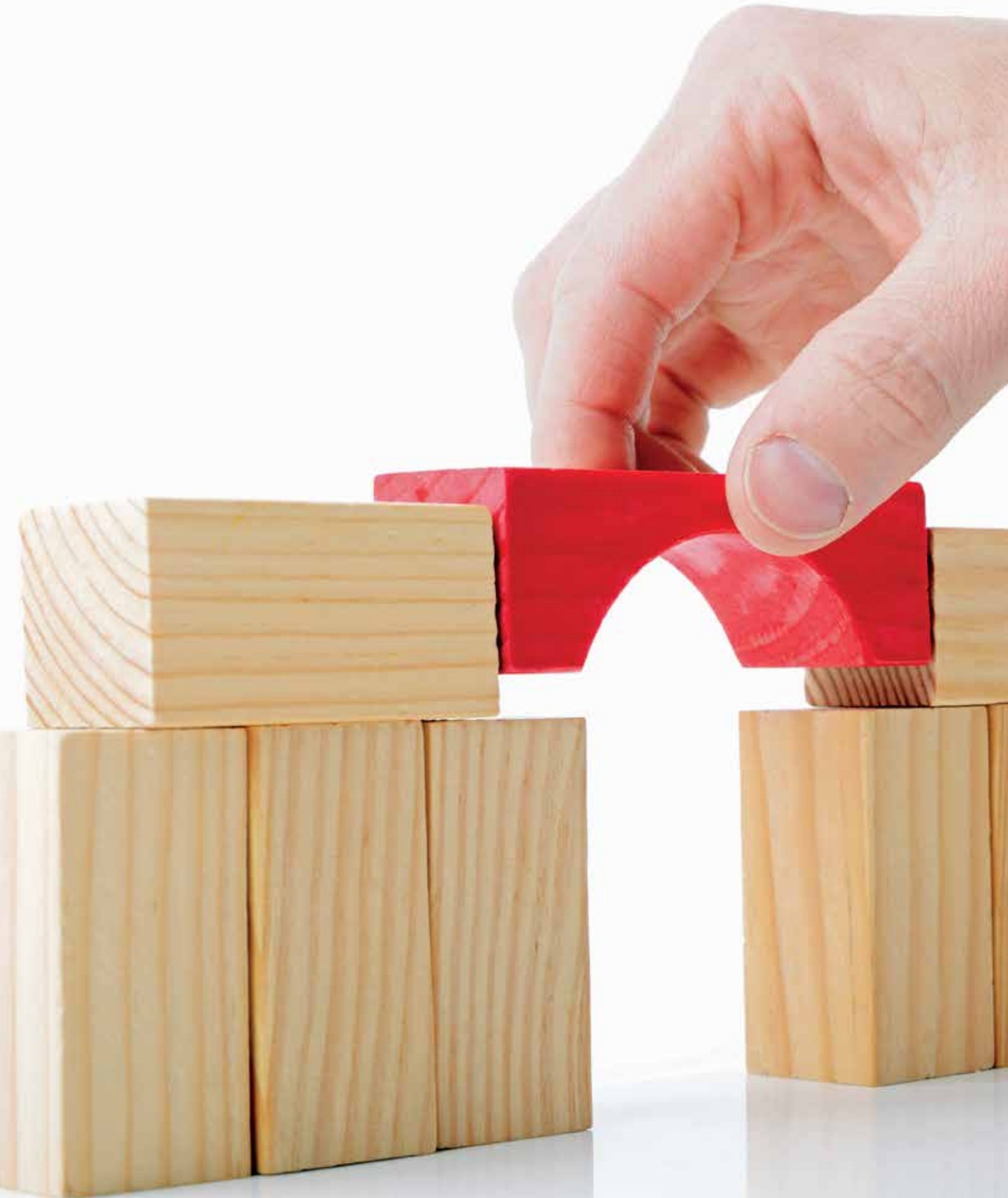
MISSION

ORIX seeks to progress through its domestic and international presence by constantly anticipating emerging trends and offering innovative products that create real and lasting value for our customers.

ORIX pioneers, introduces and offers value-added products which are not only competitive in terms of desirability and price, but also fulfill the needs of our customers by consistently increasing our value to them as an efficient source of financial services.

ORIX makes every effort to enhance superior professional competencies by creating a culture that fosters openness and innovation, promotes individual growth and rewards performance.

ORIX contributes to society through participation in poverty alleviation programmes, provision of financial assistance at a grassroots level and assistance to charitable causes.





STRATEGIC OBJECTIVES

- To make OLP an iconic brand with strong brand loyalty and maintain its position as an industry leader.
- To develop highest standards of corporate governance, far exceeding those of the Code of Corporate Governance.
- To take on challenges and create opportunities that contribute to society and meet expectations of shareholders.
- To maintain highest credit ratings in the non-banking financial sector of the Country.
- To have the best possible standards of customer services and satisfaction through our well-trained and experienced human resources.
- To be the catalyst in propelling Small and Medium Enterprise (SME) growth and development across Pakistan and remain in close proximity of SME sector.
- To provide maximum security to retail depositors.
- To establish and adopt best practices in risk management, control and monitoring.
- To ensure proper and stringent compliance to all external and internal rules and regulations.
- To bring maximum transparency in all spheres of business by introducing well defined Corporate Governance policies.
- To invest in people and upgrade our staff's capabilities by investing in their training and development.
- To maximize return to stakeholders consistently by steadily increasing ROE and ROA.

CODE OF BUSINESS ETHICS

It is vital to the financial success of OLP that we conduct our business in compliance with the rules and regulations laid down by the Company. The code of conduct sets out the fundamental standards to be followed by employees in their everyday actions.

The Company has adopted the following code of conduct principles;

- Avoid any conflict of interest between the Directors / Employees of the Company or its associated undertakings.
- Adhere to the highest standards of ethical business conduct.
- Comply with applicable laws, rules and regulations in letter and spirit.
- Maintain the highest level of confidentiality within and outside OLP.
- Maintain proper and fair relationship with Government bodies, Stakeholders, Customers and Employees.
- Maintain transparent and sound management by providing full disclosure to the public.
- Encourage reporting of unethical conduct / violation.
- Treat employees with dignity and respect.









COMPANY PROFILE

ORIX Leasing Pakistan Limited (“OLP”) was established in July 1986 as a joint venture between ORIX Corporation, Japan and local investors. OLP commenced commercial operations in January 1987 and is listed on all three stock exchanges in Pakistan.

OLP is headquartered in Karachi and has 31 branches situated in 30 towns and cities. OLP’s major shareholder is ORIX Corporation of Japan (ORIX) having 49.6% shareholding. Established in 1964, ORIX is one of Japan’s leading integrated financial services groups with operations in 35 countries worldwide. The group has experience of over 50 years of operations and had a total asset base of US\$ 95 billion and equity of US\$ 19 billion as at March 31, 2015.

OLP offers cost effective value-added financial products and innovative customized services to a wide array of customers throughout the Country. The blend of international experience and local expertise acquired over the last 29 years provides OLP a distinctive competitive edge. OLP takes pride in the fact that it has played a major role in the economic development of the Country by supporting the Small and Medium Enterprises (SME) Sector and in doing so, has created thousands of jobs both directly and indirectly. It has helped grow numerous small businesses into medium sized enterprises. Today, OLP is one of the most prominent Non-Banking Finance Companies in Pakistan with presence across the Country and a large network of individual and corporate customers.

OLP has strategic investments and board representations in five associated overseas joint venture leasing companies. In addition to management support and technical assistance provided by OLP to these associated companies, four overseas associates are headed by Chief Executives on secondment from OLP.

ORIX CORPORATION

ORIX Corporation is one of the largest non-bank financial services groups in Japan, providing innovative value added products and services to both corporate and retail customers. It is listed on both the Tokyo and New York Stock Exchanges, with operations in 35 countries across the world and diversified over a wide range of products.

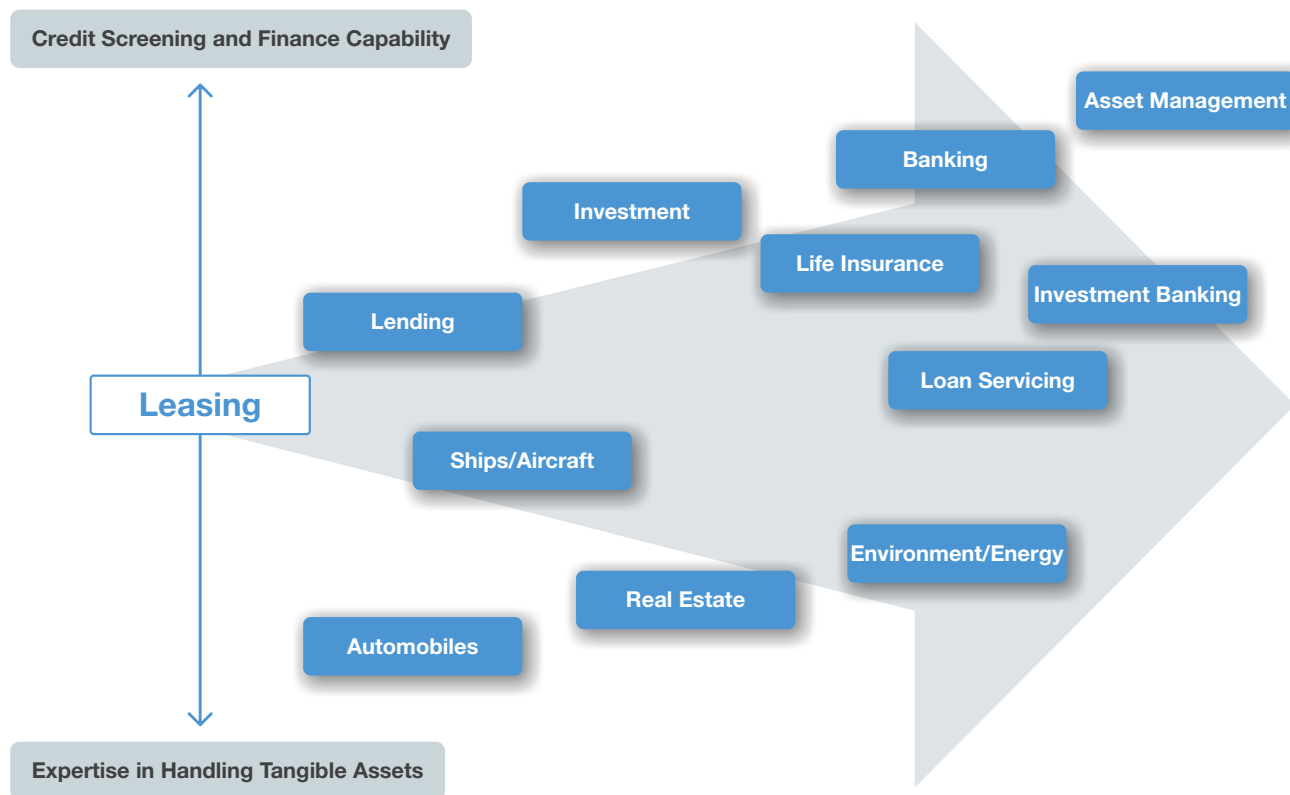
ORIX has a recorded sustained growth over the last five decades by pursuing new profit earning opportunities through specialized capabilities and broadening operational scope. The Group's fundamental strength lies in its ability to keep one step ahead of the competition by identifying and developing new business opportunities.

AMMOUNT IN MILLION US\$

ORIX CORPORATION, JAPAN - FINANCIAL HIGHLIGHTS	March 31, 2015	March 31, 2014
Total Revenues	18,047	13,340
Profit before Income Taxes and Discontinued Operations	2,855	2,777
Total Equity	19,240	20,335
Total Assets	94,982	87,950

DIVERSE BUSINESS PORTFOLIO

ORIX, which started as a leasing company, has transcended the conventional boundaries of a leasing enterprise by flexibly expanding its business into neighboring fields. As a result, ORIX now is an incomparable corporate group with a diverse business portfolio.








1964

→ 2015

ASSOCIATED COMPANIES

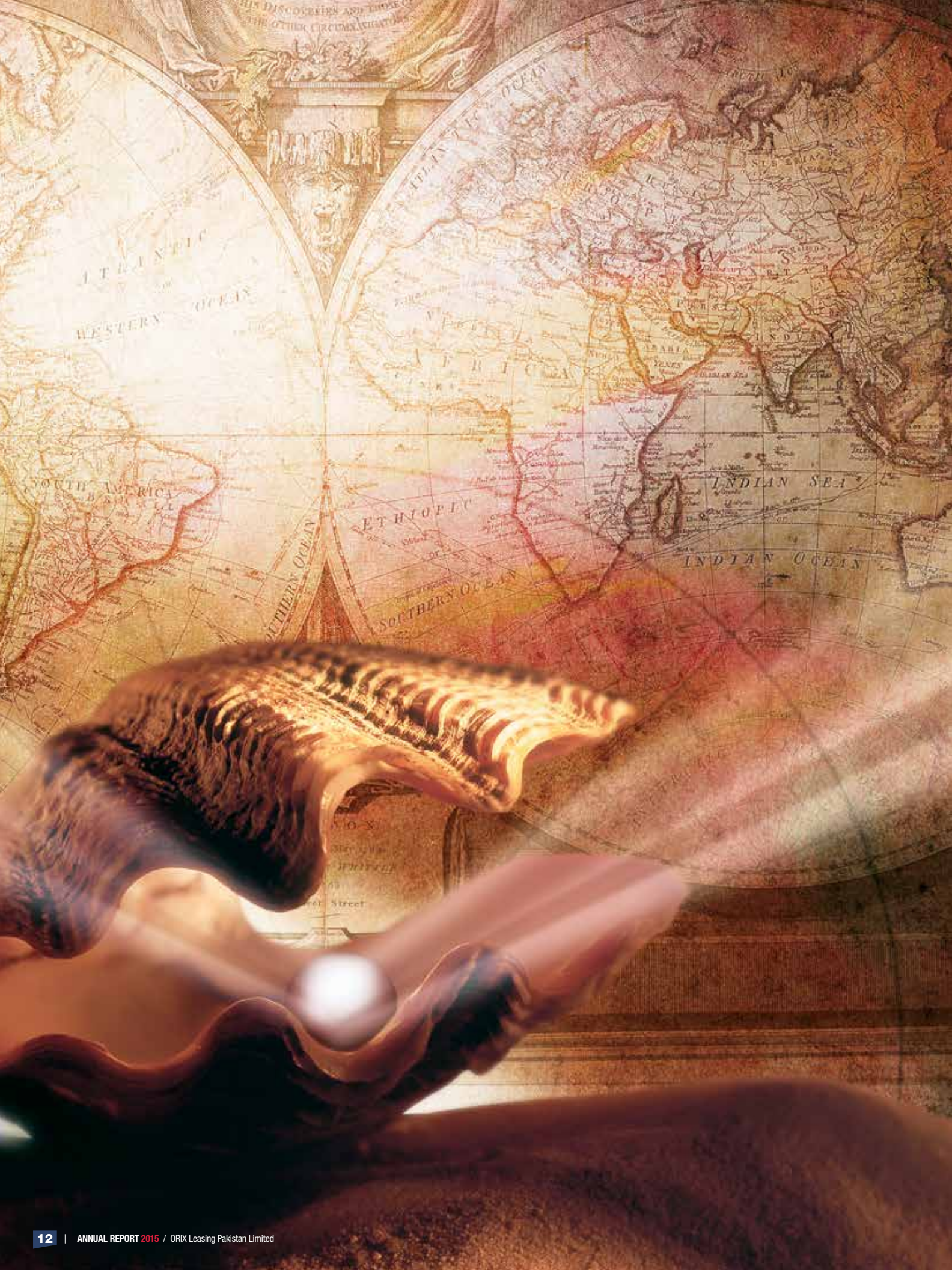
The Company's international activities started in 1993 with the establishment of a leasing company in Oman. Since then, associates have been established in Egypt, Saudi Arabia, UAE and Kazakhstan. ORIX Leasing Pakistan Limited's (OLP's) overseas associates are:

Associate	Established
 Oman ORIX Leasing Company SAOG (OOLC)	1993
 ORIX Leasing Egypt SAE (OLE)	1997
 Saudi ORIX Leasing Company (SOLC)	2001
 Al Hail ORIX Finance PSC (Al Hail)	2002
 SK Leasing Kazakhstan (SKL)	2005

OLP has equity investment and board representation in all its associates. It provides them technical assistance and management support. Overseas associates provide lease financing for equipment and vehicles, focusing mainly on small and medium sized entities (SMEs) spread across a wide range of industries as well as retail clients. Strong emphasis is placed on customer service, prudent operating policies and development of human resources.

OLP's shareholding in the companies and their financial highlights are summarized below:

Company	OLP's Holding %	LCY	Profit for the Year Dec 31, 2014		Total Assets as at Dec 31, 2014		Profit for the Half Year June 30, 2015	
			LCY in 000	Rs. in 000	LCY in 000	Rs. in 000	LCY in 000	Rs. in 000
OOLC	11.64%	RO	4,539	1,193,602	141,906	37,071,382	2,577	680,881
OLE	23.00%	LE	9,778	138,373	387,949	5,456,231	4,441	59,249
SOLC	2.50%	SR	116,948	3,155,206	2,212,027	59,289,402	58,171	1,576,929
Al Hail	3.00%	AED	31,023	856,357	1,025,554	28,083,463	12,863	356,201
SKL	10.00%	KZT	175,328	95,507	2,300,890	1,244,183	13,564	7,294



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Kunwar Idris

Chairman

Mr. Harukazu Yamaguchi

Non Executive Director

Mr. Humayun Murad SI

Non Executive Director

Ms. Nargis Ghaloo

Non Executive Director

Mr. Shahid Usman

Independent Non Executive Director

Mr. Shaheen Amin

Non Executive Director

Mr. Kazuhito Inoue

Non Executive Director

Mr. Teizoon Kijat

Executive Director

AUDIT COMMITTEE

Mr. Shahid Usman

Chairman

Mr. Harukazu Yamaguchi

Member

Mr. Shaheen Amin

Member

Mr. Kazuhito Inoue

Member

CREDIT COMMITTEE

Mr. Shaheen Amin

Member

Mr. Teizoon Kijat

Member

Mr. Ramon Alfrey

Member

Mr. Amjad Iqbal

Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Shaheen Amin

Chairman

Mr. Harukazu Yamaguchi

Member

Mr. Kazuhito Inoue

Member

Mr. Teizoon Kijat

Member

CHIEF FINANCIAL OFFICER

Mr. Ramon Alfrey

COMPANY SECRETARY

Ms. Effat Assad

HEAD OF INTERNAL AUDIT & SECRETARY TO AUDIT COMMITTEE

Ms. Maryam Aziz

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 Islami Pakistan Limited
ECO Trade & Development Bank, Turkey
Faysal Bank Limited
Habib Bank Limited-Islamic Banking
Habib Metropolitan Bank Limited
JS Bank Limited
NIB Bank Limited
Pak-Brunei Investment Company Limited
Pak China Investment Company Limited
Pakistan Poverty Alleviation Fund
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

THE MANAGEMENT TEAM



MR. TEIZOON KISAT
Chief Executive Officer



MR. RAMON ALFREY
Chief Financial Officer



MR. AMJAD IQBAL
Head - Credit Division



MR. ARSHAD ABBAS
Head - Commercial Vehicle Division



MR. HIRALAL BHARVANI
Head - Treasury & Consumer Auto



MIAN FAISAL RIAZ
Head - Corporate Lease



MR. IRFAN AHMED
General Manager & Branch Controller



MS. ASEYA QASIM
Head - Micro Finance / Agri Lease



MR. AYUB KHAN
Head - Special Assets Management



MS. MARYAM AZIZ

Head - Internal Audit & Secretary to Audit Committee



MR. M. ISMAIL KHAN

Head - Business Control



MS. EFFAT ASSAD

Company Secretary



MR. M. MOIZUDDIN

Head - Information Systems



MR. MOHSIN SIRAJ

Head - Law Division



MR. SHAKIR VASI

Head - Operating Lease



MS. IFFAT HINA

Head - Human Resource



MR. ASAD ALI SHEIKH

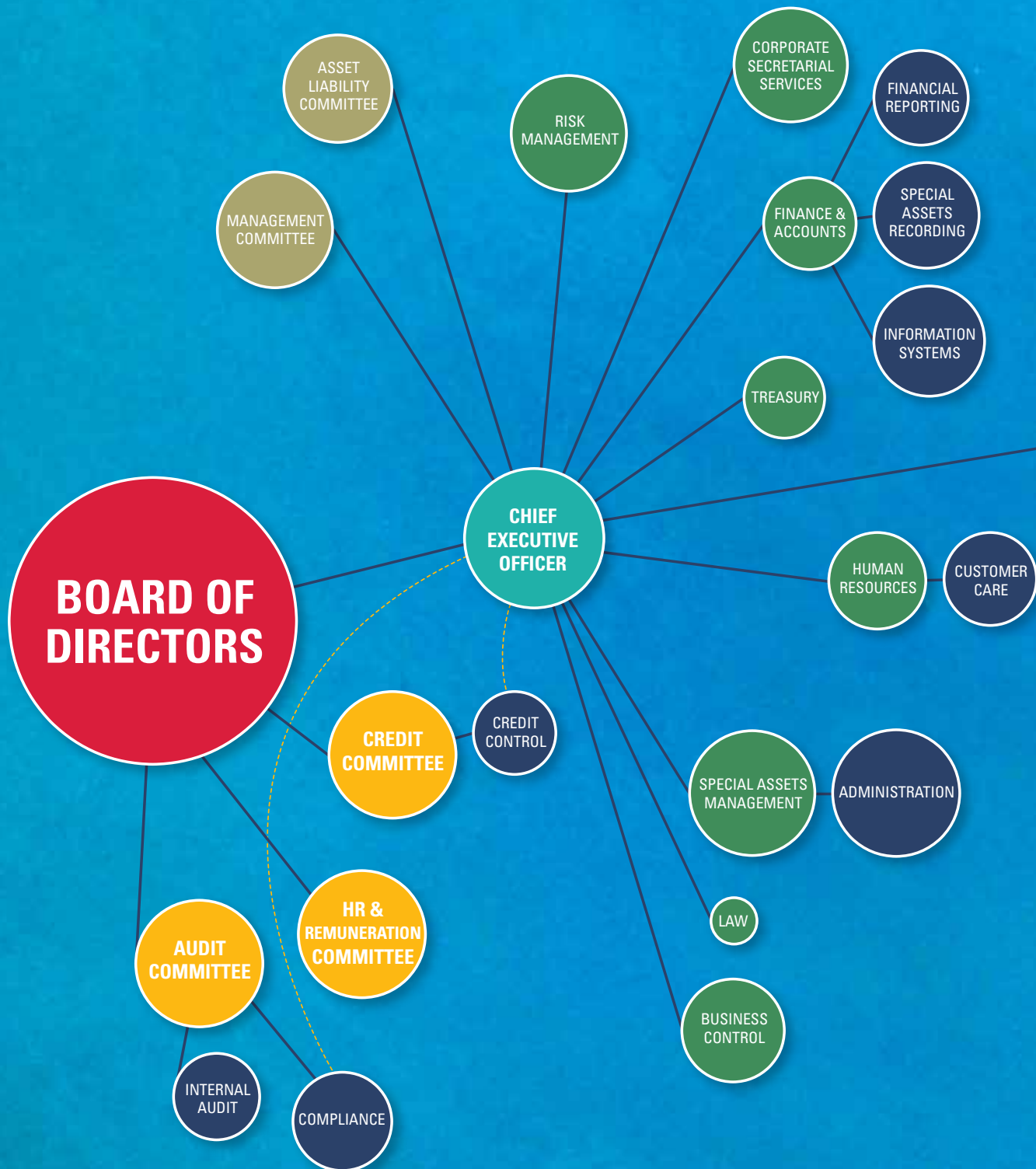
Head - Compliance



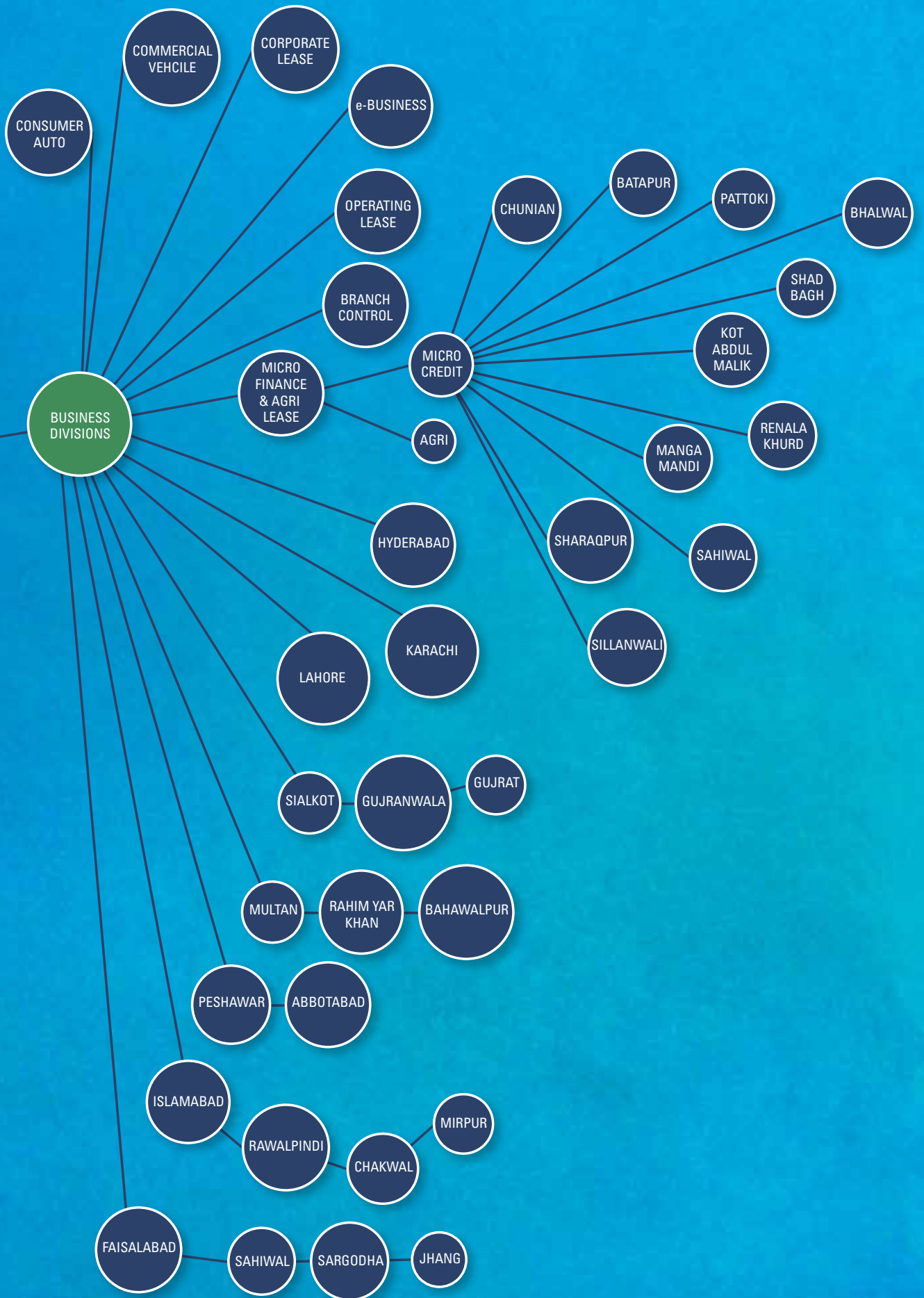
MR. ABID HAMID

Senior Manager, e-Business

ORGANOGRAM



Note: All the marketing and non-marketing departments are at par in reporting level. The mapping at different levels is due to space constraint and does not in any way, affect their reporting levels in the hierarchy of the Company.



HUMAN RESOURCES

DISCOVERING TALENTS, PROVIDING OPPORTUNITIES

FOSTERING TALENT

At OLP, we strive to attract and retain the best talent – our most valuable resource that drives the Company towards enhancing and sustaining performance. OLP is committed towards strengthening its leadership pipeline through developing the capabilities of its existing talent and attracting young and dynamic minds for its future talent pool. To ensure that, OLP not only attracts but also retains the best talent, we aim to nurture people's careers by making relevant opportunities accessible and help them develop skills, knowledge and experience in different functions or geographies.

BUILDING CAPABILITY

In order to fuel best organizational culture OLP practices a philosophy of having a well trained workforce. Customized trainings are being offered to cater to various training needs in the Company by frequently conducting trainings internally as well as by sending employees to external training programs.

In addition, OLP offers extensive overseas opportunities to encourage and retain high potential individuals and enrich their job scope. These assignments help individuals to advance in their careers, explore new business trends, develop multiple skills and broaden their horizons.

PERFORMANCE RECOGNITION & REWARD

OLP values its human capital and continuously strives to keep its employees motivated. In order to reward high performing individuals and business units/zones, an annual event is organized where these employees and business units are appropriately recognized for their contribution. This helps a great deal in making employees feel appreciated and also facilitates the achievement of their personal and professional goals.







EMPLOYEE AWARENESS

Reinforcing the importance of conduct within the Company has been a key focus at OLP. Creating awareness pertinent to OLP's Code of Conduct helps develop our people's understanding and enhances their ability to use good judgment and foster greater personal accountability. Human Resources Department conducts awareness sessions in different offices, these sessions clarify Company's expectations and provides employees with the ability to conduct business in accordance with stated values.

ENHANCING LEADERSHIP CAPABILITIES

OLP is committed to providing its employees with opportunities to develop and progress their careers. The Company's Staff Learning programme focuses on professional development and strengthening leadership capabilities. Every year we nominate managers with future leadership potential for the Global Leaders' Program organized by ORIX Corporation, Japan.



EXECUTIVE ORIENTATION PROGRAM

Business Managers from various Zones and Branches are invited to attend orientation programs at the Head Office – Karachi and Regional Office - Lahore. These program are especially designed to provide unique and exclusive learning experience to our executives with the aim of engaging them in strategic networking, giving them an opportunity to learn in highly interactive sessions and gain first hand understanding of various functions performed at the Head Office and Regional Office.

EMPLOYEE ENGAGEMENT INITIATIVES

To keep employees motivated and to give them opportunities to experience activities beyond their daily job responsibilities, Human Resources Department conducts various engagement activities. Annual Award Distribution Ceremony, Annual Lunch, Sports Gala and Eid Get Together are a few of the initiatives that are organized at regular intervals during the year. Staff members are encouraged to support various social causes such as blood donation camps and helping in calamity situations when ever required.

PRODUCT PORTFOLIO



CORPORATE LEASE

Providing a lifeline to business entities in the small & medium enterprises sector and meeting financial requirements of large business corporations, OLP Corporate Lease Division has the ability and capacity to tailor financial products to suit your requirements. Having provided financial solutions to the highest number of customers in the country's leasing sector, Corporate Division still has the same level of commitment and enthusiasm to serve its customers as it had at the time of inception of the Company. Presence in most of the cities in Pakistan, a dedicated team, and customer friendly approach makes it convenient for our patrons to benefit from our financial products to the best of their interest.

AUTO LEASE

OLP Auto Lease offers a flexible product range tailored to suit the specific requirements and financial need of individual customers. Our dedicated professional executives ensure that we not only respond positively to our customer requirements but also provide customized innovative structures to suit the cash flow requirements. Our team of specialists ensure that auto lease customers are provided full range of support services over the entire lease term. Our products are transparent and as easy to understand as road signs.

Walk in to drive your own car – simply and quickly.

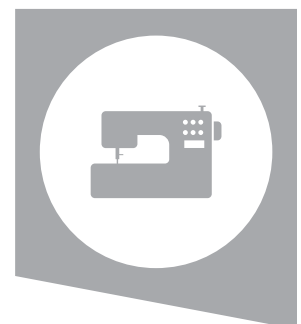


COMMERCIAL VEHICLE LEASE

OLP Commercial Vehicle Division provides integrated financial services in the field of commercial vehicle leasing which include both small and large size commercial vehicles. We provide unique opportunities, innovative value added products and personalized professional services for the logistics and transport industry in Pakistan. We at OLP Commercial Vehicle Division have changed the mindset of customers in the unorganised sector and have worked together for our mutual growth. Our professional executives quickly absorbed the spirit of challenging market and customer behavior and have learned traits that contribute to our continuing leadership. We will continue to expand our ensemble of products and services, so that our loyal & new customers keep coming to OLP for their expanding financial needs.

MICRO CREDIT

A countless number of dreams and aspirations of people stuck at the weak end of prosperity fizzle out due to poverty. An unknown number of promising entrepreneurs lose their way to success and prosperity due to lack of financial resources. We have been endeavoring to change this. We have been helping our compatriots to break free from the shackles of poverty by extending them easy financing to initiate their very own small scale businesses or expand their existing ones. Our micro financing enables them to buy machines/ equipments ranging from sewing machines to rickshaws and/beyond, as well as raw material, live stock or miscellaneous supplies. We are particularly proved our efforts in assisting women entrepreneurs who usually find it more difficult to secure financing.



OPERATING LEASE

Life and business both need power to move on. Our specialized OPERATING LEASE DIVISION ensures your life and business receive uninterrupted power supply by providing the most competitive and reliable power generating packages with a wide range of equipment choices and complete maintenance and operation services. So enjoy and benefit from the comfort and advantage of uninterrupted power for your life and business to move on uninterrupted.

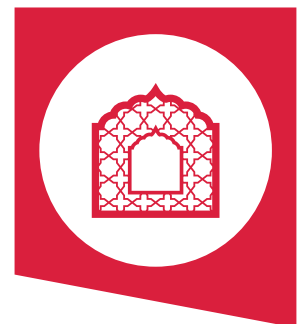


e-BUSINESS

The e-Business Division brings yet another innovation to the payment services industry of Pakistan. In addition to the conventional POS Terminals that cater to the transaction processing needs of customers using debit, credit, loyalty, discount and prepaid cards of financial institutions, banks, retailers and corporate entities – the ORIX Network now includes NFC (Near Field Communication) enabled POS Terminals popularly known as “tap to pay” – where users can simply tap their NFC tag (card, cell phone, keychain, etc.). With the introduction of this technology, ORIX e-Business Division continues to provide innovative solutions to its clients in line with global trends – empowering them to meet their customer’s expectations.

ISLAMIC FINANCE

Our Islamic Finance Division offers Ijarah and Diminishing Musharakah as its core products to the rapidly growing clientele of Shariah compliant financial products. Carefully developed with the sensitivities of the relevant customer segment in mind our Shariah compliant products meet the Islamic financing requirements of our customers to the satisfaction of their heart and soul.



ORIX CERTIFICATES OF DEPOSIT

ORIX Leasing Pakistan Limited (OLP) has built strong relationships with its depositors, which is ORIX Certificate of Deposit (COD) key strength. Our trained team, offering professional advice, backed by strong operations results in an efficient and hassle free investment experience for our customers. OLP has been successful in developing a loyal and satisfied customer base, which is evident from a deposit base of close to Rs. 7.0 billion. Major success factors are the immaculate service standards and strong financial position of the Company.

Service, security and stability are the three pillars of ORIX COD. Competitive returns, consistent service and our dedicated team provides investors peace of mind throughout their investment tenure with OLP.

Another value added service provided to our investors, is complimentary accidental hospitalization and accidental life insurance cover for our investors.



ACCIDENTAL LIFE INSURANCE



ACCIDENTAL HOSPITALIZATION INSURANCE

ORIX CODs offer flexible investment options with maturity terms ranging from 30 days to ten years and profit payments can be periodic or accumulated till maturity. Innovation and value addition are regularly made to our deposit schemes to provide our investors best value for their money.



- Tenure ranges from 30 days to one year with profit paid monthly or on maturity
- Keep the funds liquid yet get good returns
- Encashable after 30 days of investment date without any penalty



- Tenure ranges from 2 to 10 years, profit and principal to be paid on maturity
- Get the benefit of compounding



- Tenure 5 years with profit rates increasing every year
- Incremental monthly return to curtail impact of inflation



- Tenure ranges from 1 to 5 Years with semi-annual return
- Market based return plus a spread based on tenure



- Tenure ranges from 1 year to 5 years
- Get monthly returns to cover your monthly expenses

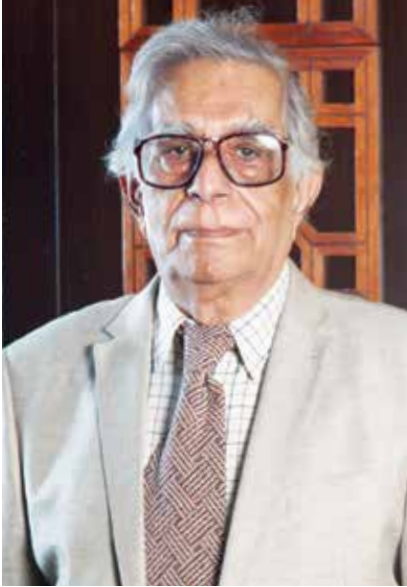


- Tenure 7 years with profit payments on monthly basis
- Product specially designed for senior citizens and widows
- Monthly return over a long period of time.

Our AA+ Long term entity rating and A1+ short term entity rating from PACRA is an endorsement of our financial stability



DIRECTORS PROFILE



MR. KUNWAR IDRIS

Chairman

Mr. Idris holds a masters degree in Political Science from the Punjab University and a Diploma in Public Administration from Cambridge University, UK. He joined the Civil Service of Pakistan in 1957 and served in various capacities for 37 years among others as District Magistrate of Karachi, Political Agent in the North-West tribal areas, Transport Secretary, Home Secretary and Chief Secretary of Sindh.

He retired as Secretary, Federal Ministry of Petroleum & Natural Resources. He also served as Chief Executive of Pakistan Automobile Corporation and Bankers Equity.

Mr. Yamaguchi graduated from Hosei University, Japan in 1987 and joined ORIX Corporation in 1990. Mr. Yamaguchi has served in various senior positions within ORIX Corporation, Japan and abroad. Currently he is serving as Executive Vice President, Global Business and Alternative Investment Headquarter in Japan. He also serves as Director on the Boards of other overseas ORIX Group Companies.



MR. HARUKAZU YAMAGUCHI

Non Executive Director



MR. HUMAYUN MURAD SI

Non Executive Director

Mr. Murad is an FCA from the Institute of Chartered Accountants in England and Wales. He carries professional experience of four decades in Pakistan, UK and Middle East, mainly in the financial sector. Mr. Murad joined OLP in 1986 as Deputy Managing Director and took over as Managing Director in 1989, a position he served until December 31, 2010. In 2007 he was awarded Sitara-e-Imtiaz by the Government of Pakistan for services to Pakistan's leasing industry. Mr. Murad is currently serving as CEO of ORIX Corporation's operations in Middle East, North Africa and CIS. He is serving as a Director on the Boards of ORIX Group companies: OLP, OPP (Pvt.) Ltd. and Al Hail ORIX Finance PSC, UAE.

He is also a Director on the Boards of Samba Bank Limited (Pakistan), Pak Oman Asset Management Company Limited and Index Exchange Co. LLC, UAE.

Ms. Nargis Ghaloo is presently the Chairperson of State Life Insurance Corporation of Pakistan and is also on the Board of Public & Private Sector Companies as a shareholder's representative. She holds a Master's Degree in English from University of Sindh in 1981; subsequently she cleared the competitive examination in the year 1982. During her service at leading position on various organizations she participated in prestige courses such as "Negotiation and Dispute Resolution Workshop" Singapore in 1992, "Executive Leadership Development Program" at John F. Kennedy School of Government, Harvard University in 2005, "National Management Course" at National Management College Lahore in 2009, "Public Sector Administration and Financial Management" at Singapore in 2014.

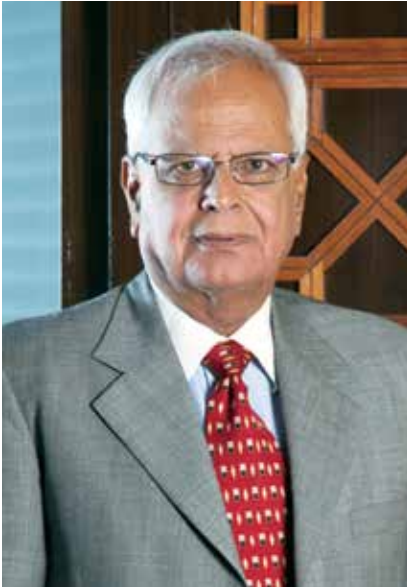
She is an officer of Federal Government in BPS 22, has formerly held positions of Additional Secretary Cabinet Division, Government of Pakistan, DG President Secretariat, Secretary Women Development, Executive Director State Life Insurance Corporation of Pakistan. In addition she had held various administrative assignments in Federal & Provincial Government.



MS. NARGIS GHALOO

Non Executive Director

DIRECTORS PROFILE



MR. SHAHID USMAN

Independent Non Executive Director

A fellow member of the Institute of Cost & Management Accountants of Pakistan, Mr. Usman has held senior management positions in Pakistan and abroad. He has previously served as Director Operating Information, Port Qasim Authority and SEVP/ Deputy General Manager & CFO, Pakistan Kuwait Investment Company. Mr. Usman has held Directorships in a variety of companies i.e. QICT, General Tyre, Pak-Kuwait Takaful Co., Al- Mal Securities Limited. He is currently serving as independent Director on OLP's Board.

Mr. Amin joined OLP in December 1986 and after serving in various capacities was appointed Deputy Managing Director in January, 1992. Mr. Amin was appointed the founding General Manager of Oman ORIX Leasing Company SAOG in 1993 and was appointed the founding General Manager of Saudi ORIX Leasing Company in the year 2000. Mr. Amin has an MBA from Booth School of Business, University of Chicago and an Executive MS in Risk Management from Stern School, New York University.

Mr. Amin also serves on the Board of ORIX Group affiliated companies in MENA



MR. SHAHEEN AMIN

Non Executive Director



A graduate of Waseda University, Mr. Inoue joined ORIX Corporation in 1989 and has served at various senior level positions in ORIX Group Companies in Japan, UK, USA and UAE. Mr. Inoue is currently serving as Deputy Representative, ORIX Corporation, Representative Office in Dubai, UAE. He also holds Directorships in ORIX Group Companies in the Middle East, North Africa and CIS.

MR. KAZUHITO INOUE

Non Executive Director

Mr. Teizoon Kijat is a fellow member of the Institute of Chartered Accountants of Pakistan. After completing his education and professional training in 1983, he started his career in a premier accounting firm of Pakistan. Mr. Kijat was associated with professional firms of Chartered Accountants for 12 years and joined leasing industry in 1995. He served different leasing companies in Pakistan until 2000 when he joined ORIX Leasing Pakistan Limited (OLP). Mr. Kijat assumed the position of Deputy Managing Director in 2004 and took over as Managing Director and CEO on 1st January, 2011.

The Company under the leadership of Mr. Kijat has grown steadily over last five years. Mr. Kijat is representing OLP on the Board of Oman ORIX Leasing Company SAOG (OOLC), ORIX Leasing Egypt SAE (OLE) and OPP (Private) Limited. He is also member of Audit Committees OF OOLC and OLE.



MR. TEIZOON KISAT

Chief Executive

CHIEF EXECUTIVE'S REVIEW

Over the past few years, consistent growth in our business volumes and profits is attributable to the confidence of our stakeholders, support of our customers and an unparalleled understanding and experience in meeting customers' needs. I am proud to lead a team of dedicated people who have contributed to the Company's success by their hard work and professionalism.

Our core business of finance and operating lease has not changed and over the years we have accumulated considerable expertise in financing small and medium sized enterprises. We believe that small and medium enterprises have huge potential for contributing to growth of the Country's economy. The Company is resolutely pursuing a strategy of accelerating business growth in relatively smaller cities. In line with this strategy, our wide network of branches contributed significantly to business volumes that increased by 21% to Rs. 13.4 billion (2014: 11.1 billion).

Our investment in finance lease assets is well diversified by assets and sectors. We follow a strategy of balancing risks with rewards and focus on sectors that are more stable. A diversified and comprehensive portfolio enables the Company to earn steady income over the long term.

On the liability side, we have diversified our funding sources and have been careful not to rely on any one source. We maintain a balance between direct and indirect funding of close to 45:55. Our indirect funding sources include 23 banks and financial institutions. Retail deposits have shown a rising trend over the years and closed at Rs. 6.9 billion reflecting confidence of depositors in the Company. Overall, long term funding constitutes over 89% of total funding and mitigates the risk of any mismatch. The Company had a current ratio of 1.35 as at June 30, 2015.

Our business activities involve various elements of risk. We consider the principal risks of our business to be credit risk and market risk although our business is also subject to other risks such as liquidity risk and operational risk which are managed through prudent risk management measures. We follow a system of decentralization for approving credit risk with marketing executives empowered to approve specific credit limits, within stated policy guidelines, according to their seniority and experience. If exposure exceeds the assigned approval limit, it is forwarded to higher authority for approval.



The theme of our annual report this year is "Passion to Succeed". This reflects our resilience to meet challenges as well as our persistent and focused approach towards meeting long term goals.

I am pleased to report that in fiscal year 2015, the Company achieved its highest ever profit before taxes of Rs. 860 million and highest ever profit after taxes of Rs. 671 million. Earnings per share increased to Rs. 8.18 from Rs. 6.29 last year. As a result, the Directors proposed a cash dividend of 45% compared to 35% in the previous financial year.

In view of stringent risk management policies adopted by the Company, the non performing portfolio has decreased significantly over the years. Going forward, the non performing portfolio is expected to remain low due to high quality of asset portfolio. Further, the Company is well placed to absorb future losses on portfolio, if any, as the provision coverage ratio of overdues over 90 days, without forced sales value, is over 100%.

FINANCIAL STRENGTH

SHAREHOLDER' EQUITY

Shareholders' equity has increased to Rs. 3.4 billion due to steady growth in profits and a balanced policy of dividend distribution and profit retention.

RETURN ON EQUITY (ROE)

The Company achieved ROE of 20.90% (2014: 18.53%) which reflects a healthy return on equity due to excellent results achieved during the year.

RETURN ON ASSETS (ROA)

The Company's return on assets of 3.35% (2014: 2.83%) is amongst the highest in the Country's financial sector. This is due to improved margin on our core product of finance lease and superior quality of our asset portfolio.

LIQUIDITY

The Company's liquidity position is very strong. In view of our recent performances, financial institutions have shown increasing confidence in the Company and have offered finance facilities at competitive rates. At the time of writing this report, approved credit facilities of over Rs. 4.5 billion were available for future business.

ASSETS

The Assets based increased by 16% due to growth in business. In context of new business disbursements of Rs. 13.4 billion, growth in asset base by Rs. 3.8 billion is measured due to strong recovery efforts and close follow up for timely receipt of installments.

ASSET / LIABILITY MANAGEMENT

The Company has essentially matched maturity of its borrowings and deposits with maturity of its leases. While average tenor of finance lease is for a period of 38 months, new fundings are for periods of 3-5 years.

GOING FORWARD

We will continue to challenge ourselves to achieve greater heights of success as we believe that significant opportunities exist for achieving continued and sustainable growth in future. The announcement of merger of Standard Chartered Leasing Limited with and into OLP and acquisition of 20% stakes in Standard Chartered Modaraba, subject to regulatory and corporate approvals, are part of our strategy to achieve sustainable growth through expansion of our asset base.

On behalf of OLP's team, I extend my heartiest gratitude to the Chairman and Board of Directors of the Company for their foresight and guidance in achieving the results of fiscal year 2015. I also thank Securities and Exchange Commission of Pakistan and other regulatory bodies for their continued support and our shareholders, creditors and customers for their trust and confidence. The people of this Company are our most important asset and I thank my colleagues for their dedicated efforts, hard work and passion to succeed.



TEIZOON KISAT

Chief Executive

REPORT OF THE DIRECTORS



The Directors of ORIX Leasing Pakistan Limited (OLP / the Company) are pleased to present the Twenty-Ninth Annual Report together with the audited financial statements of the Company for the year ended June 30, 2015.

THE COMPANY

OLP was established in 1986 as one of the pioneers of leasing business in Pakistan. 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.

OLP's major shareholder ORIX Corporation (ORIX) established in 1964 is one of Japan's leading integrated financial services group with operations in 35 countries. The Group had a total asset base of US\$ 95.0 billion as at March 31, 2015.

The Company's core business continues to be leasing (both financial and operating leases) of vehicles, machinery and equipment. While this remains the core business, the Company has added several other products to meet the need of its growing customer base. On the liability side, the Company provides investment opportunities through certificates of deposit.

OLP has played a key role in establishing ORIX joint venture companies in MENA Region and has strategic investments in leasing companies in Oman, Egypt, Saudi Arabia and United Arab Emirates.

FINANCIAL INFORMATION

The financial results of the Company are summarized below:

	2015	2014
	Rupees	
Profit before taxation	859,903,539	640,100,513
Less: Taxation	189,000,000	123,987,252
Profit after taxation	670,903,539	516,113,261
Earnings per share - basic and diluted	8.18	6.29
Appropriations: Transfer to statutory reserve.	33,545,177	103,100,000

DIVIDEND

The Directors are pleased to recommend a cash dividend of 45% for the year ended June 30, 2015 (2014: 35%).

OVERVIEW OF THE ECONOMY

GDP growth in Fiscal year 2015 at 4.2% was slightly higher than 4.1% in the previous fiscal year. As in past years, the main increase in GDP growth came from the services sector followed by marginal improvement in agriculture sector. Large scale manufacturing recorded lower growth primarily due to electricity and gas shortages.

The balance of payment position continued to improve during fiscal year 2015 as a result of sharp drop in global oil prices and steady growth in overseas workers' remittances which increased to US\$ 18.5 billion from US\$ 15.8 billion in previous year. The overall foreign exchange reserves increased to US \$ 18.7 billion as of June 30, 2015 (US \$ 14.1 billion: June 30, 2014).

Moreover, CPI inflation rate declined from 8.6% in July 2014 to 4.5% in June 2015 largely due to steady reduction in fuel prices.

In view of above positive developments and improvement in macroeconomic indicators, the State Bank of Pakistan (SBP) slashed its policy rate by a cumulative 350 bps during fiscal year 2015. In May 2015, the main policy rate of the SBP was reduced to 6.5%, the lowest in 42 years. Following a cut in policy rate, the benchmark rate for lending to corporate customers i.e. KIBOR has also declined.

Implementation of infrastructure projects planned under the China-Pakistan Economic Corridor and addressing structure issues especially related to energy and security is expected to create favourable economic environment and accelerate GDP growth.

BUSINESS REVIEW

Our business activities comprises of various segments including finance lease of machinery, passenger and commercial vehicles to small and medium size companies, partnerships and sole proprietors, passenger cars for individuals, operating lease with maintenance for industries, micro credit based on group model for micro customers and

a point of sales network for processing credit, debit and loyalty cards.

All business segments of the Company performed well and contributed to profitability. Overall lease and loan disbursements recorded an impressive growth of 21% increasing to Rs. 13.4 billion from Rs. 11.1 billion recorded in 2014.

Passenger cars and commercial vehicles continued to be the main leased assets. Contribution of vehicles and machinery/equipment in overall disbursements stood at 74% and 21% respectively. In line with prudent risk management practices, the Company focused on sectoral diversification to minimise credit risk. Highest single sector exposure of 26% was in transport sector which includes oil, goods and passenger transport. This was followed by exposure of 12% in services sector.

Higher business volumes were achieved due to impressive growth in Corporate and Commercial vehicle leases with disbursements increasing by 22%. We have developed specialized skills and expertise in the transport sector resulting in growth and profitability. On the retail front, Consumer auto lease disbursements increased by 13% as we continued our cautious selection of customers despite increased competition from commercial banks.

OLP's vehicle finance business, which caters to customers requiring luxury vehicles, increased disbursements by 26% while retaining its strong portfolio quality.

New equipment acquisition for operating lease mainly comprising of diesel generators and point of sale equipment amounted to Rs. 140 million (2014: Rs. 352 million). In view of higher cost of gas generators and low demand due to irregular gas supplies present inventory of gas generators was not increased.

The Company effectively leveraged its eleven micro credit branches to expand its business of group based micro credit for micro customers. Although the scale of our micro credit operations is small, this business segment recorded a growth of 30% and disbursed Rs. 651 million (2014: Rs. 503 million) to 21,821 micro customers. Our micro credit branches have been set up close to rural areas to give us easy access to the customer.

REPORT OF THE DIRECTORS (Continued)

Operations in Oman, Egypt, Saudi Arabia and UAE performed well and contributed significantly to the Company's profit. During the year, the Company subscribed to a rights issue of Saudi ORIX Leasing Company amounting to Rs. 67.4 million and a rights issue of Al Hail ORIX Finance PSC, UAE amounting to Rs. 126.0 million.

In view of uncertainty on repatriation of capital, investment in SK Leasing, Kazakhstan was impaired last year and a dividend received from SK Leasing in the current year was used to reduce the value of the Company's investment in SK leasing to Nil. Subsequent dividends will be recorded on receipt basis as Kazakhstan is facing challenging economic conditions and its currency has devalued sharply.

Negotiations to dispose of investment in OPP (Private) Limited are continuing as this business is not compatible with our core business.

REVENUES

Total revenues at Rs. 4.21 billion were 10.2% higher than Rs. 3.82 billion earned last year. Finance Lease remains the core business activity accounting for 53.7% of revenues.

Finance Lease Segment:

Revenue from Corporate, Commercial vehicle and Consumer auto Leases at Rs. 2.26 billion (2014: Rs.1.97 billion) was 14.7% higher. A larger lease portfolio together with higher disbursements was instrumental in achieving good revenue growth.

Vehicle Finance / Loans / Micro Finance Segments:

Mark up income on vehicle finance / loans and Micro Finance was marginally higher at Rs. 461.7 million compared to Rs. 445.5 million in the previous year. The Company concentrated on maintaining quality portfolio in view of increasing competition from banks.

Operating Lease Segment:

Generator Rentals:

Revenues from fully maintained generators lease segment at Rs 546.2 million (2014: Rs. 578.8 million) recorded marginal drop of 5.6% as the Company restricted its investment in gas generators segment in view of market conditions which saw increase in cost of generators and lower demand due to gas shortage which increased non- utilization of generators.

e-business:

E-business segment also showed decline in its revenue by 11.5% to Rs. 236.0 million from Rs. 266.8 million in 2014. The Company's investment in this segment has not kept pace with technology changes and major capital expenditure will be required in future to avail opportunities emanating from digital banking.

Other Income:

Other operating income was recorded at Rs. 310.7 million compared to Rs. 224.2 million in 2014, an increase of 38.6% mainly due to unusual gain of Rs. 75.7 million arising from disposal of investments in closed end funds and shares. Prior year's capital gains of Rs.68.9 million mainly represent gain on sale of treasury bills. In the current year, the Company held its treasury bills to maturity, hence return on treasury bills is included in interest income on government securities.

ASSOCIATED COMPANIES

The Company's share in profit of associated companies increased by 23.4% to Rs. 275.1 million (2014: Rs. 223.0 million). Significant increase in earnings were reported by Oman ORIX Rs. 156.1 million (2014: Rs. 124.1 million) and ORIX Leasing Egypt Rs.34.6 million (2014: 19.6 million). Saudi ORIX's contribution was steady at Rs. 60.8 million (2014: Rs. 58.5 million) whereas Al Hail ORIX was slightly lower at Rs. 23.6 million (2014: Rs. 25.5 million).

FINANCIAL EXPENSES

Financial expenses at Rs. 1.73 billion (2014: Rs. 1.66 billion) were 4.2% higher whereas borrowings increased by 17.3% to Rs. 16.3 billion (2014: Rs. 13.9 billion). The Company benefitted from lower borrowing rates in view of reduction in benchmark rates. Despite reduction in profit / mark up rates, the Company successfully retained customer deposits which increased to Rs. 6.9 billion (2014: 6.3 billion) and replaced its bank credit facilities with new borrowings at lower rates. This was possible due to strong trust and confidence of depositors and banks in the Company.

ADMINISTRATIVE & GENERAL EXPENSES

Administrative and general expenses increased by 10% from Rs. 755.2 million in 2014 to Rs. 831.9 million in 2015. Major increase was in salaries and allowances due to revision in staff salaries and performance bonuses. Increase

in legal and professional charges was mainly on account of fee for due diligence for proposed merger and acquisitions mentioned in Note 50.2.

DIRECT COSTS OF LEASE

Direct costs of leases which mainly represent maintenance, insurance and depreciation on operating lease and 'Ijara' assets increased to Rs. 621.9 million compared to Rs. 582.3 million in 2014. Major increase was due to depreciation on generators which increased to Rs. 180.9 million compared to Rs. 142.6 million last year. As stated in Note 4.2.1, during the year, the Company revised useful life of gas generators in operating lease and consequently recorded additional depreciation charge of Rs. 15.19 million.

ALLOWANCE FOR POTENTIAL LOSSES

The Company follows a conservative policy of providing for possible future losses. The allowance for potential lease has shown a declining trend over the years in view of improvement in portfolio quality. Accordingly, an amount of Rs. 121.7 million (2014: Rs. 136.9) was provided to further strengthen the provisions. Total provisions at Rs. 1.22 billion (2014: Rs.1.24 billion) cover 100% of the Company's non performing portfolio exceeding 90 days without accounting for forced sale value of nonperforming assets. All overdue accounts exceeding 90 days are not impaired.

RISK MANAGEMENT

Risk is inherent in the borrowers activities but is managed through ongoing identification, measurement and monitoring, subject to risk limits and other controls. Business risks arising out of changes in the environment, technology, industry and political climate are monitored through the Company's strategic planning process. Other risks are managed under the policy framework set by the Board of Directors which is supervised on an ongoing basis by the Audit and Management Committees. An Asset Liability Committee (ALCO) is in place to implement and monitor compliance with these policies and ensure that risk management techniques are being applied effectively.

The main risks facing the Company are summarized below:

Credit Risk Management:

Credit risk refers to the failure of the borrower to fulfill its financial obligations as and when they fall due. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept by individual

counterparties, industry concentrations and type of assets, and by monitoring exposures in relation to such limits. Staff members in the marketing function are authorized to approve individual credit transactions within specific limits based on the seniority and experience of the relevant staff member. If the exposure exceeds the specified individual / joint limits, it is approved by credit committee and Board of Directors as applicable.

Adherence to credit policies formulated and approved by the Board of Directors is monitored by a separate Credit Department, which is responsible for overseeing the Company's credit risk and independently analyzing customers' creditworthiness. Credit guidelines are continuously reviewed and amended in line with changing business and market dynamics.

With its focus on small and medium sized business the Company's credit risk is diversified over a large number of clients. No single party exposure represents more than 5% of the Company's Equity.

Liquidity Risk Management:

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due or is unable to access sufficient funding to meet business commitments. Liquidity risk is managed by diversifying funding sources, establishing committed credit lines from financial institutions and maintaining balance between long and short lending and borrowings. A liquidity contingency plan is also in place to ensure the existence of alternative funding strategies. Appropriate levels of liquid securities are also held for compliance with statutory requirements and ensure availability of surplus funds when required. As part of asset-liability management future cash flows are used to measure and monitor liquidity risk.

Market Risk Management:

Market risk comprises of interest rate risk and currency risk arising from changes in interest and exchange rates that would affect future cash flows or the fair values of financial instruments.

The Company limits interest rate risk by monitoring changes in market interest rates and by applying a profit margin over incremental costs, which is sufficient to cover rapid fluctuations in rates. As far as practicable, the Company also aims to substantially match the interest rate profile of receivables with financial obligations and keeps the mismatch within acceptable limits.

REPORT OF THE DIRECTORS (Continued)

In order to manage exchange rate risk, currency swaps are used to hedge against the risk of both interest rate and currency fluctuations. As a policy the Company carries no open currency risk.

Operational Risk:

As our business has expanded in recent years, the importance of operational risk management has increased as a component of overall risk management. Operational risk refers generally to the risk of loss arising from systems failure, human error, fraud or external events, administrative procedures and day to day operational procedures and any breakdown in these procedures. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Company is able to manage the risks and reduce these to an acceptable level. Internal controls have been strengthened considerably and include effective segregation of duties, access rights, authorization and reconciliation procedures and insurance against various risks. Anti-Fraud and Whistle-blowing policies have been put in place. Separate Risk Management and Compliance functions have also been set up to strengthen the process.

Internal Control and Compliance:

The Management is responsible for maintaining a sound system of internal controls to ensure efficiency and effectiveness of operations, compliance with legal requirements and reliability of financial reporting. These controls encompass the policies and procedures approved by the Board of Directors. Their effectiveness is verified by an independent Internal Audit Department that reports directly to the Audit Committee. This ensures that existing procedures and policies are reviewed on a constant basis and improved from time to time wherever required. Due consideration is given to the observations made by internal audit, which are promptly reviewed and measures taken by the Board, Audit Committee and Management for rectification and strengthening of internal control system.

In addition, Inter departmental audit, post disbursement credit audit and compliance reviews are carried out to ensure compliance with relevant rules and regulations.

FUNDING AND LIQUIDITY

OLP has continued to diversify funding sources over the years to maintain stable access to funding. Main funding sources include borrowings from financial institutions and direct deposits through issue of certificates of deposit.

As at June 30, 2015 the Company had borrowed Rs. 9.3 billion from 23 financial institutions. The certificates of deposit portfolio showed an increase of 9.5% from Rs. 6.3 billion in 2014 to Rs. 6.9 billion in 2015. The percentage of funds raised from financial institutions and retail deposits is adjusted to maintain an optimal funding structure.

The Company has built a sound financial base by matching its long term lending with long term funding and has adequate funding in place to meet its future business requirements.

MERGER AND ACQUISITION

The Company has entered into an amalgamation agreement and share and certificate purchase agreement with Standard Chartered Bank Pakistan Limited (SCBPL) with respect to merger of Standard Chartered Leasing Limited (SCLL) with and into OLP and acquisition of SCBPL's 100% stake in Standard Chartered Services of Pakistan Private Limited (SCS) and acquisition of SCBPL's 20% stakes in Standard Chartered Modaraba (SCM). This stake is held 10% directly and 10% indirectly through SCS.

The proposed merger and acquisition is subject to satisfaction of various conditions including regulatory consents and corporate actions of OLP, SCBPL, SCLL and SCM.

CORPORATE GOVERNANCE

To develop highest standards of Corporate Governance that exceed the requirement of code of corporate governance, OLP has established sound and transparent corporate governance system. The Board is chaired by a Non-Executive Director and an independent Director is heading the Audit Committee. The Credit Committee appointed by the Board includes a Non Executive Director and three executives who have collective leasing expertise of over 100 years.

The Management Committee comprises of Divisional Heads with vast experience in their relevant fields. In addition, the Management Committee is also involved in making strategies, business planning, and development of new products. Important decisions relating to Investment, business process review, compensation and information technology are taken by Investment committee, Business process review committee, Human resource review panel and Information technology steering committee respectively.

CORPORATE SOCIAL RESPONSIBILITY

OLP takes pride in being a responsible corporate which supports various social causes. The Company lends support

to many initiatives aimed at the welfare and betterment of the underprivileged as well as the physically disabled members of society. This year, the Company pledged to financially support a school in a backward area.

Our microfinance business is a key example of our efforts towards social development. With 11 branches located in rural areas, we are providing loans to thousands of low-income individuals on group lending basis using the Grameen Bank model. OLP gives collateral free loans averaging over Rs. 50 million per month to hundreds of customers under our various microfinance products. An innovative step of introducing e-collections for microfinance customers has been taken which will help to improve customer service, provide financial inclusion to the disadvantaged rural masses and help the Company in controlling its administrative costs.

Donations are made every year by the Company in the areas of health, education and poverty alleviation.

ENERGY CONSERVATION MEASURES

As a responsible corporate citizen, OLP is cognizant of the energy shortage that the Country is facing and has taken steps to conserve energy. These include use of energy savers and LED lights in the office building. Besides, the Company has also converted two branches to solar power. In addition, OLP is also providing leasing of solar equipment in the Punjab province where shortage of power is more acute.

PEOPLE

The Board recognizes human resource as its strongest and most valuable asset and places on record its appreciation for the contribution made by employees during the year under review. The Board acknowledges that dedication of staff has been instrumental in achieving the Company's growth and high performance levels.

Our Human Resources Division helps in developing employees' careers by arranging in-house as well as external training and development programmes covering both soft and technical skills for employees at all levels. To carry out in-house training sessions, we have established learning centers equipped with training tools.

During the year, staff spent over 4,160 hours in training and development activities. Senior executives also participated in exposure visits arranged by ORIX Corporation, Japan under their future leadership program.

BUSINESS ETHICS

OLP's Code of Conduct provides a clear framework within which employees of the Company are expected to conduct themselves. The Code is designed to ensure adherence to the highest standards of ethical business conduct and compliance with governmental laws, rules and regulations. It requires employees to work proficiently in all business activities, maintain the highest level of confidentiality within and outside OLP and exercise fairness, equity and courtesy in dealing with all customers, employees and other stakeholders.

OLP's Code of Conduct provides guidance for dealing with ethical issues, and direction on how to report on unethical conduct. Every employee of the Company has a responsibility to understand and comply fully with the Code and all other policies of the Company. The employees must perform their duties according to the spirit of this Code.

CUSTOMER SERVICE

Service excellence is what gives OLP an edge over its competitors. A well established after sales system is the major reason given by our customers for maintaining their long standing relationship with the Company. Our excellent service standards based on rapid response and quick turnaround have been acknowledged by our customers whether in Finance Lease, Auto financing or retail deposits.

AWARDS AND RECOGNITION

The Federation of Pakistan Chamber of Commerce & Industry (FPCCI) awarded FPCCI achievement award to the Company for its performance in the Banking, Leasing and Financial Services Sector for the year 2013.

The NBF and Modaraba Association of Pakistan recognized the performance and contribution of the Company in NBF sector by awarding the Company second prize in the Best Performance Award category for the year 2013-14.



REPORT OF THE DIRECTORS (Continued)

FUTURE OUTLOOK

The Company will continue to focus on providing credit to small and medium sized enterprises. Strong demand for leasing is expected in future in the backdrop of investment in infrastructure, power generation and capital expenditure in the private sector. The coverage for providing financial services will be extended to more cities and towns where access to credit is limited. With highly experienced team, OLP is fully geared to take advantage of new business opportunities.

As explained in this report, the Board of Directors has approved merger of Standard Chartered Leasing Limited with and into OLP and acquisition of Standard Chartered Bank Pakistan Limited's 20% stake in Standard Chartered Modaraba. The completion of above transaction is subject to regulatory and corporate level approvals. Successful completion of above transaction will provide the Company an opportunity to enter new markets for accelerating its growth.

DIRECTORS' DECLARATION

1. The financial statements prepared by the management of ORIX Leasing Pakistan Limited present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
2. Proper books of accounts of the Company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Accounting Standards as applicable in Pakistan have been followed in preparation of financial statements and any departure has been adequately disclosed.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Company's ability to continue as a going concern.
7. Details of significant deviations in the Company's operating results during the year ended June 30, 2015 are stated in the Directors' Report.
8. Key operating and financial data for the last six years in summarized form is given at page No. 44.
9. The value of investments of the recognised provident fund as at June 30, 2015 was Rs. 367.7 million (un-audited) and as at June 30, 2014 was Rs. 297.0 million

(audited). The value of investments of the Company's recognised gratuity fund as at June 30, 2015 was Rs. 160.2 million (un-audited) and as at June 30, 2014 was Rs. 131.3 million (audited).

10. No trading in shares of the Company was carried out by the Directors, Executives and their spouses and minor children during the year.
11. A Director acquired certification of Director Education awarded by the Pakistan Institute of Corporate Governance. At the close of the financial year, 5 out of 8 Directors meet the requirements of the Code of Corporate Governance with respect to Directors training and the remaining Directors will complete the required training in the time allowed by the Code.
12. During the year four meetings of the Board of Directors, five meetings of the Audit Committee and two meetings of Human Resource and Remuneration Committee were held. The Directors, who were unable to attend the meetings, constantly followed the progress of the Company and proceedings of the Board.

BOARD OF DIRECTORS MEETING

Name of Director	Meetings Attended
Mr. Kunwar Idris	2
Mr. Harukazu Yamaguchi (Non Resident)	1
Mr. Humayun Murad (Non Resident)	4
* Ms. Nargis Ghaloo	1
Mr. Shahid Usman	4
Mr. Shaheen Amin (Non Resident)	4
Mr. Kazuhito Inoue (Non Resident)	3
Mr. Teizoon Kisat	4
** Mr. M. Raeesuddin Paracha	2

* Appointed on November 11, 2014

** Resigned on November 11, 2014

Leave of absence was granted to Directors who could not attend the Board meetings

AUDIT COMMITTEE MEETINGS

Name of Director	Meetings Attended
Mr. Shahid Usman	5
* Mr. Harukazu Yamaguchi (Non Resident)	-
Mr. Shaheen Amin (Non Resident)	5
Mr. Kazuhito Inoue (Non Resident)	4
** Mr. Humayun Murad	3

* Appointed on February 23, 2015

** Resigned on February 23, 2015

HUMAN RESOURCE AND REMUNERATION COMMITTEE MEETINGS

Name of Director	Meetings Attended
Mr. Shaheen Amin (Non Resident)	2
Mr. Harukazu Yamaguchi (Non Resident)	1
Mr. Kazuhito Inoue (Non Resident)	2
Mr. Teizoon Kisat	2

BOARD CHANGES

Mr. M. Raeesuddin Paracha, resigned as Director and Ms. Nargis Ghaloo was appointed to fill in the Casual vacancy on November 11, 2014. The Board of Directors places on record its appreciation for services rendered by Mr. Paracha and welcomes Ms. Ghaloo on Board.

CREDIT RATING

During the current financial year, The Pakistan Credit Rating Agency Limited (PACRA) maintained the Company's long term rating of AA+ (Double A plus) and short term rating of A1plus (A One plus). These are among the highest ratings in the Non-Banking Financial Sector. As per PACRA standards, these ratings denote the lowest expectation of credit risk emanating from a strong capacity for timely repayment of financial commitments.

PARENT COMPANY

ORIX Corporation, Japan and its nominees hold 49.59% of the Company's equity.

AUDITORS

M/s. A.F. Ferguson & Co., Chartered Accountants were appointed as auditors for the year ended June 30, 2015. The Board of Directors endorses the recommendation of the Audit Committee for the appointment of M/s. A.F. Ferguson & Co., Chartered Accountants, as the auditors of the Company for the year ending June 30, 2016.

PATTERN OF SHAREHOLDING

The pattern of shareholding as at June 30, 2015 is attached at page no. 110. During the year, no trading in shares of the Company was carried out by Executives as defined by the Board of Directors under the Code of Corporate Governance.

REMUNERATION OF CHIEF EXECUTIVE OFFICER

The Board of Directors in their meeting held on September 16, 2015 has approved an annual salary of Rs. 26.3 million for the Chief Executive Officer with effect from October 01, 2015. In addition, the Chief Executive Officer will be entitled to performance bonus as may be determined from year to year by the Board and other perquisites and benefits as per Company policy.

ACKNOWLEDGEMENT

The Board greatly appreciates the support and cooperation of the regulatory authorities, bankers, business partners and all stake holders who are helping and contributing towards the continued growth of the Company and looks forward to their support and advice in the future. The Board also thanks our valued customers and depositors who have trust in the Company and continue to provide their support in ensuring its progress. The Company is also truly proud of its staff for their loyalty, commitment and dedication to their work.

On Behalf of the Board

September 16, 2015
Chief Executive



Teizoon Kisat

STATEMENT OF COMPLIANCE

with the Code of Corporate Governance for the year ended June 30, 2015

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No 35 of listing regulations of Karachi, Lahore and Islamabad Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive Directors and Directors representing minority interests on its Board of Directors. At present the Board includes:

Independent Directors

1. Mr. Shahid Usman

Non-Executive Directors

1. Mr. Kunwar Idris
2. Mr. Harukazu Yamaguchi
3. Mr Humayun Murad
4. Ms. Nargis Ghaloo
5. Mr. Shaheen Amin
6. Mr. Kazuhito Inoue

Executive Director

1. Mr. Teizoon Kisat

The independent director meet the criteria of independence under clause i (b) of the CCG

2. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking Company, a DFI or an NBFC or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. During the year, a casual vacancy occurred on the board which was filled within the stipulated timeframe.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executives and non-executive directors, have been taken by the board.
8. The meetings of the board were presided over by the Chairman and, in his absence, by a Director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. A Director acquired certification of Director Education awarded by the Pakistan Institute of Corporate Governance.
10. A self evaluation of the Board and its Committees was carried out as required by the CCG.

11. The appointment, remuneration and terms and conditions of employment of the CFO, Company Secretary and the Head of Internal Audit are approved by the Board of Directors however there were no new appointment of CFO, Company Secretary and the Head of Internal Audit during the year.
12. The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
13. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
14. The Directors, CEO and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
15. The Company has complied with all the corporate and financial reporting requirements of the CCG.
16. The Board has formed an Audit Committee, it comprises of four members, of whom three are non-executive Directors and the Chairman of the committee is an independent director.
17. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the Committee for compliance.
18. The Board has formed a Human Resource and Remuneration Committee. It comprises of four Members, of whom three are non-executive directors and the chairman of the committee is a non-executive director.
19. The board has set up an effective internal audit function. The Head of Internal Control reports directly to the Audit Committee.
20. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partner are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
21. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
22. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchanges.
23. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.
24. We confirm that all other material principles enshrined in the CCG have been complied with.

NOTICE OF ANNUAL GENERAL MEETING



Notice is hereby given that the Twenty-Ninth Annual General Meeting of ORIX Leasing Pakistan Limited will be held on Tuesday, October 27, 2015 at 3.30 p.m. at The Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements together with the Directors' and Auditors' Report for the year ended June 30, 2015.
2. To approve the payment of cash dividend to the shareholders at the rate of Rs. 4.5 per share of Rs. 10 each for the year ended June 30, 2015.
3. To appoint Auditors and fix their remuneration. The present Auditors, Messrs A. F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment.
4. To transact any other business, with permission of the Chair.

BY ORDER OF THE BOARD

Karachi: **September 16, 2015**

EFFAT ASSAD
Company Secretary

Notes:

1. The Register of Members of the Company shall remain closed from October 20, 2015 to October 27, 2015 (both days inclusive). Transfers received in order at our registrars, Messrs. THK Associates (Private) Limited, 2nd Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi at the close of business on October 19, 2015, will be treated in time for the purpose of attending the meeting and payment of dividend.
2. A Member entitled to attend and vote at the General Meeting of Members is entitled to appoint a proxy to attend and vote on his/her behalf. A proxy need not be a Member of the Company.

3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially certified copy of the power of attorney must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. A form of proxy is enclosed. Shareholders are requested to notify any change of address immediately.
4. CDC account holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For attending the meeting:

- (i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original CNIC or original passport at the time of attending the meeting.
- (ii) In case of corporate entity, the Board of Directors resolution / power of attorney with specimen signature of the nominees shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For appointing proxies:

- (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form accordingly.
- (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his/her original CNIC or original passport at the time of meeting.
- (v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.



CNIC / NTN

5. In accordance with the notification of the Securities and Exchange Commission of Pakistan, SRO 779(I) 2011 dated August 18, 2011 and SRO 831(1)/2012 dated July 5, 2012; dividend warrants should bear CNIC numbers of the registered member or the authorized person, except in case of minor(s) and corporate members.

Accordingly, Members who have not yet submitted copy of their valid CNIC / NTN (in case of corporate entities) are requested to submit the same to the Share Registrar, with Members folio no. mentioned thereon. It may kindly be noted that in case of non-receipt of the copy of valid CNIC, the Company would be constrained to withhold dispatch of dividend warrants.

e-Dividend

6. In order to make process of payment of cash dividend more efficient, SECP vide circular No. 8(4) SM/CDC 2008 dated April 05, 2013 have issued instructions so that the shareholders can get their dividend credited in their respective bank accounts electronically without any delay. The shareholders may therefore authorize the Company to credit the dividend directly to their bank account for all future dividends declared by the Company. Accordingly all non CDC shareholders are requested to send their bank account details to the Company's Share Registrar at the address given above. Shareholders who hold shares with Participant / Central Depository Company of Pakistan Limited (CDC) accounts are advised to provide the mandate to the concerned Stock Broker / CDC.

Circulation of Notice of Meeting and Annual Accounts

7. With reference to SRO 787(I)/2014 dated September 8, 2014 issued by SECP, shareholders have option to receive Annual Audited Financial Statements and Notices of General Meetings through email. Shareholders of the Company are requested to give their consent on prescribed format which is available on Company's website to our Share Registrar at the address given above to update our record if they wish to receive Annual Audited Financial Statements and Notices of General Meetings through email. However, if a shareholder, in addition, request for a hard copy of Audited Financial Statements the same shall be provided free of cost within seven days of receipt of such request.

Filer and Non-Filer Status

8. Through the Finance Act, 2015, enhanced rate of withholding tax has been prescribed in the Income Tax Ordinance, 2001 (Ordinance) for certain provisions including withholding of tax from dividend under section 150 of the Ordinance. These tax rates are as under:

(a) For filers of income tax returns	12.5%
(b) For non-filers of income tax returns	17.5%

For this purpose, the terms 'filer' and 'non-filer' have been defined. A 'filer' is a taxpayer, whose name appears in the Active Taxpayers List (ATL) issued by Federal Board of Revenue (FBR), from time to time whereas 'non-filer' is a person other than a 'filer'. FBR has uploaded an ATL on its web-site, which can be accessed at <http://fbr.gov.pk>.

At the time of dividend distribution, the Company, being a withholding agent, would check each shareholder's status on the ATL and, if the shareholder's name does not appear on the ATL, the rate of withholding tax at seventeen and a half per cent (17.5%) would be applied, in accordance with the law. In the instance of a 'filer' as defined above, withholding tax rate of twelve and a half per cent (12.5%) will be applicable.

In view of the above, all shareholders are advised to immediately check their status on ATL and may, if required, take necessary action for inclusion of their name in the ATL. The Company, as per law, shall apply seventeen and a half per cent (17.5%) rate of withholding tax if the shareholder's name, with relevant details, does not appear on the ATL available on the FBR website on the first day of book closure.

SIX YEARS' FINANCIAL SUMMARY

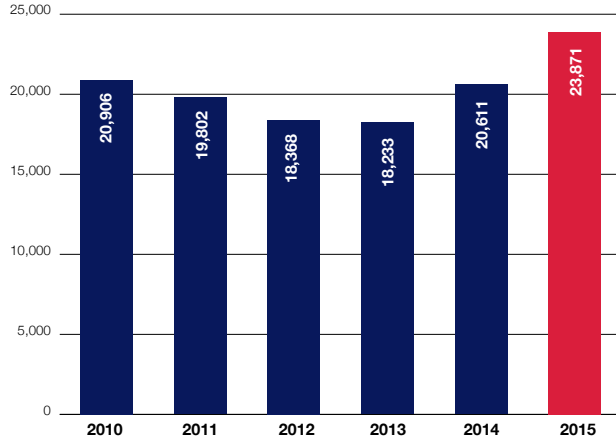
Statement of Financial Position/Profit and Loss

Rupees in million

	2015	2014	2013	2012	2011	2010
Operating Results						
Total Disbursement	13,408	11,097	9,056	7,844	8,058	8,428
Revenues	4,209	3,820	3,560	3,346	3,183	3,700
Lease revenue	3,161	2,927	2,750	2,731	2,758	2,699
Financial charges	1,728	1,658	1,654	1,868	1,796	2,064
Provisions and Impairments	168	184	257	199	213	523
Profit before tax	860	640	414	275	227	126
Profit after tax	671	516	338	202	145	104
Dividend	369*	287	181	123	82	-
Balance Sheet						
Gross lease receivables	23,871	20,611	18,233	18,368	19,802	20,906
Fixed assets	1,762	1,767	1,560	1,357	1,268	1,091
Investment in associated undertakings	2,176	1,701	1,711	1,567	1,283	1,221
Total Assets	28,318	24,449	23,127	22,028	21,802	23,779
Total Borrowing	16,280	13,940	13,807	13,178	12,957	14,812
Long term debts	9,825	7,074	8,578	6,484	6,563	8,827
Total Liabilities	24,769	21,385	20,456	19,580	19,555	21,763
Shareholders' equity	3,437	2,983	2,589	2,363	2,161	2,016
* Proposed						
PERFORMANCE INDICATORS						
Profitability						
Profit before tax over revenue	20.43%	16.76%	11.63%	8.21%	7.10%	3.35%
Gross spread	26.94%	34.26%	30.94%	22.13%	22.55%	11.60%
Return on equity	20.90%	18.53%	13.63%	8.93%	6.93%	5.10%
Return on assets	3.35%	2.83%	1.95%	1.20%	0.80%	0.50%
Income / expense ratio	1.32	1.28	1.23	1.17	1.16	1.23
Liquidity						
Current ratio	1.35	1.18	1.47	1.15	1.15	1.37
Cash to Current Liabilities	0.02	0.01	0.03	0.04	0.03	0.02
Investment / Market						
Price to book ratio	1.47	0.93	0.58	0.38	0.21	0.21
Dividend yield	7.29%	10.31%	12.05%	13.80%	17.90%	-
Dividend payout	55.04%	55.64%	53.63%	60.90%	56.70%	-
Earning per share (Rs.)	8.18	6.29	4.12	2.46	1.76	1.27
Price earning ratio	7.55	5.40	4.44	4.41	3.16	4.12
Market Value per Share (Rs.)	61.72	33.94	18.25	10.86	5.57	5.23
Proposed dividend	45.00%	35.00%	22.00%	15.00%	10.00%	-
Capital Structure						
Debt / Equity ratio	4.59	4.55	5.12	5.30	5.76	7.35
Book Value per share (Rs.)	41.89	36.35	31.55	28.79	26.33	24.57
Interest Cover ratio	1.59	1.50	1.41	1.20	1.25	1.34

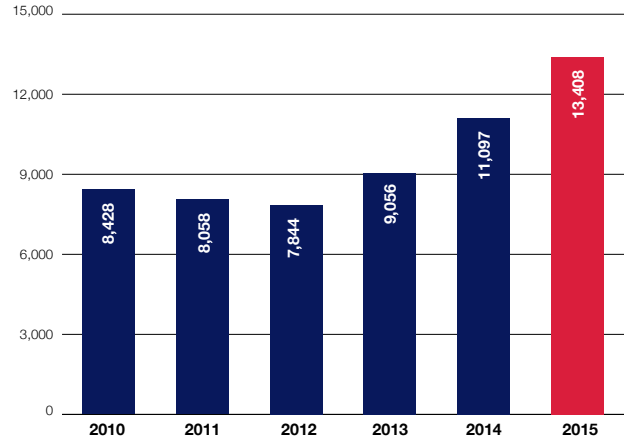
Gross Lease Receivable

Rs. in million



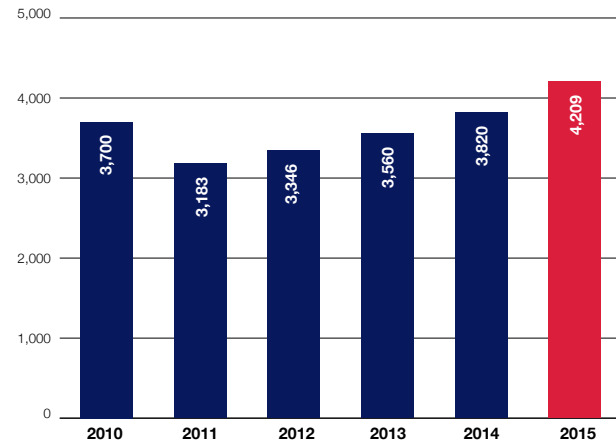
Disbursement

Rs. in million



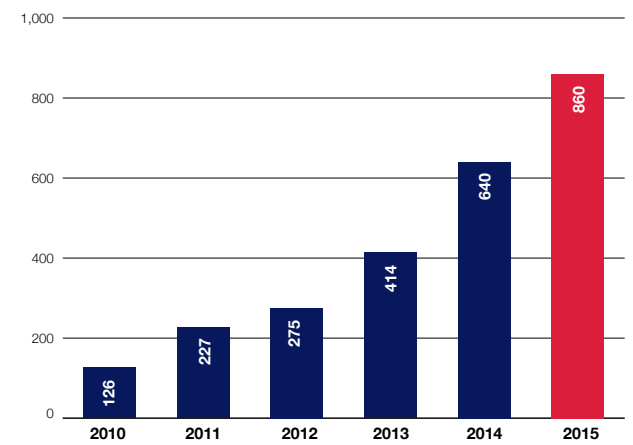
Revenue

Rs. in million



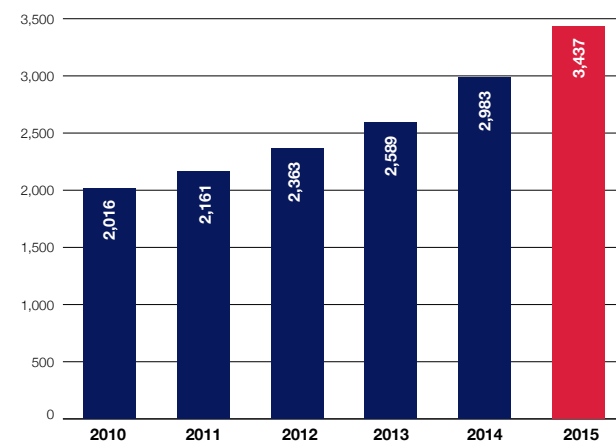
Profit Before Tax

Rs. in million



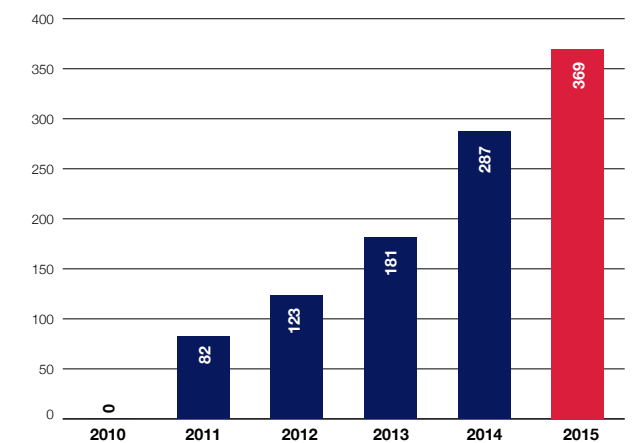
Shareholders' Equity

Rs. in million



Dividend

Rs. in million



SIX YEARS' VERTICAL ANALYSIS

Statement of Financial Position/Profit and Loss

Rupees in million

STATEMENT OF FINANCIAL POSITION	2015		2014		2013		2012		2011		2010	
	Rupees	%	Rupees	%	Rupees	%	Rupees	%	Rupees	%	Rupees	%
ASSETS												
Non-current assets												
Non-current assets												
Property, plant and equipment	1,762	6.22%	1,767	7.23%	1,560	6.75%	1,357	6.16%	1,268	5.82%	1,091	4.59%
Intangible assets	9	0.03%	11	0.04%	34	0.15%	88	0.40%	79	0.36%	65	0.27%
Net investment in finance leases	11,356	40.10%	9,336	38.18%	8,079	34.93%	7,871	35.73%	9,110	41.78%	9,130	38.40%
Investment in associated undertakings	2,176	7.69%	1,701	6.96%	1,711	7.40%	1,568	7.12%	1,284	5.89%	1,221	5.13%
Long term investments	14	0.05%	14	0.06%	14	0.06%	18	0.08%	200	0.92%	205	0.86%
Long term finances and loans	879	3.10%	741	3.03%	844	3.65%	757	3.44%	284	1.30%	194	0.82%
Long term deposits	10	0.04%	10	0.04%	14	0.06%	14	0.06%	14	0.07%	13	0.05%
	16,206	57.23%	13,580	55.54%	12,255	52.99%	11,672	52.99%	12,238	56.13%	11,918	50.12%
Current assets												
Short term finances												
Accrued return on investments and term finances	407	1.44%	308	1.26%	243	1.05%	228	1.04%	244	1.12%	320	1.35%
Current maturity of non-current assets	75	0.26%	68	0.28%	35	0.15%	16	0.07%	4	0.02%	15	0.06%
Short term investments	9,966	35.19%	8,910	36.44%	8,299	35.88%	8,378	38.03%	7,800	35.78%	9,011	37.90%
Advances and prepayments	1,106	3.91%	1,088	4.45%	1,600	6.92%	738	3.35%	358	1.64%	1,216	5.12%
Other receivables	47	0.17%	48	0.20%	52	0.22%	103	0.47%	67	0.31%	66	0.28%
Cash and bank balances	75	0.26%	132	0.54%	313	1.35%	495	2.25%	800	3.67%	1,072	4.51%
Taxation - net	173	0.61%	100	0.41%	231	1.00%	336	1.53%	242	1.11%	131	0.55%
Assets classified as held for sale	171	0.60%	126	0.52%	87	0.38%	49	0.22%	33	0.15%	5	0.02%
	91	0.32%	89	0.36%	13	0.06%	13	0.06%	15	0.07%	25	0.10%
	12,111	42.77%	10,869	44.46%	10,872	47.01%	10,356	47.01%	9,564	43.87%	11,861	49.88%
Total assets	28,318	100.00%	24,449	100.00%	23,127	100.00%	22,028	100.00%	21,802	100.00%	23,779	100.00%
EQUITY AND LIABILITIES												
Share capital and reserves												
Share capital and reserves												
Surplus on revaluation of leasehold land and office building	3,437	12.14%	2,983	12.20%	2,589	11.19%	2,363	10.73%	2,160	9.91%	2,016	8.48%
	112	0.40%	81	0.33%	83	0.36%	85	0.39%	87	0.40%	-	0.00%
Non-current liabilities												
Long term finances												
Long term loans	4,708	16.62%	3,147	12.87%	3,323	14.37%	2,274	10.32%	3,165	14.52%	4,543	19.11%
Long term certificates of deposit	-	0.00%	280	1.15%	914	3.95%	1,938	8.80%	2,173	9.96%	3,186	13.40%
Long term deposits	5,117	18.07%	3,647	14.92%	4,341	18.77%	2,273	10.32%	1,226	5.62%	1,098	4.62%
Deferred taxation	5,239	18.50%	4,484	18.34%	3,824	16.53%	3,586	16.28%	4,308	19.76%	4,016	16.89%
Other long term liabilities	454	1.60%	395	1.62%	353	1.53%	284	1.29%	222	1.02%	120	0.50%
Post-employment benefits	268	0.95%	248	1.01%	296	1.28%	218	0.99%	162	0.74%	137	0.58%
	1	0.00%	4	0.02%	29	0.13%	19	0.09%	-	0.00%	-	0.00%
	15,786	55.75%	12,205	49.92%	13,080	56.56%	10,591	48.08%	11,256	51.63%	13,100	55.09%
Current liabilities												
Trade and other payables												
Accrued interest on loans, term finances and CODs	641	2.26%	480	1.96%	411	1.78%	317	1.44%	255	1.17%	255	1.07%
Short term borrowings	319	1.13%	454	1.86%	297	1.28%	325	1.48%	447	2.05%	580	2.44%
Short term certificates of deposit	884	3.12%	695	2.84%	936	4.05%	947	4.30%	1,109	5.09%	623	2.62%
Current maturity of non-current liabilities	944	3.33%	1,019	4.17%	1,070	4.63%	957	4.34%	738	3.38%	756	3.18%
	6,194	21.87%	6,532	26.72%	4,662	20.16%	6,444	29.25%	5,751	26.38%	6,449	27.12%
	8,983	31.72%	9,179	37.55%	7,376	31.89%	8,989	40.81%	8,299	38.06%	8,662	36.43%
Total equity and liabilities	28,318	100.00%	24,449	100.00%	23,127	100.00%	22,028	100.00%	21,802	100.00%	23,779	100.00%
PROFIT AND LOSS												
INCOME												
Income from operations												
Finance lease	2,261	53.73%	1,974	51.69%	1,900	53.37%	2,013	60.11%	2,110	66.13%	2,073	55.18%
Operating lease	900	21.38%	953	24.94%	850	23.88%	717	21.41%	649	20.34%	626	16.66%
Mark-up on term / factoring finance	462	10.97%	446	11.66%	396	11.13%	234	6.98%	139	4.35%	143	3.82%
	3,623	86.08%	3,373	88.29%	3,146	88.38%	2,964	88.51%	2,897	90.82%	2,843	75.66%
Income from other operating activities												
Other income - net	311	7.38%	224	5.87%	249	6.98%	261	7.80%	189	5.92%	395	10.52%
Share of profit of equity accounted undertakings	275	6.54%	223	5.84%	165	4.64%	124	3.69%	104	3.26%	143	3.80%
Gain on sales of investment in associated undertaking	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	376	10.02%
	586	13.92%	447	11.71%	414	11.62%	385	11.49%	293	9.18%	915	24.34%
Total Income	4,209	100.00%	3,820	100.00%	3,560	100.00%	3,349	100%	3,190	100%	3,757	100%
EXPENSES												
Finance costs												
Administrative and general expenses	1,728	41.05%	1,658	43.41%	1,654	46.46%	1,868	55.77%	1,796	56.29%	2,064	54.94%
Direct cost of leases	832	19.76%	755	19.77%	730	20.51%	585	17.48%	549	17.20%	600	15.96%
	622	14.78%	582	15.24%	504	14.17%	419	12.52%	400	12.53%	387	10.30%
	3,182	75.59%	2,996	78.43%	2,889	81.14%	2,873	85.77%	2,744	86.01%	3,051	81.21%
Profit before Provisions, & Taxes												
Provisions and impairment												
Allowance for potential lease and loan losses	1,027	24.41%	824	21.57%	672	18.86%	477	14.23%	446	13.99%	706	18.79%
Other provisions	122	2.89%	137	3.58%	208	5.83%	188	5.62%	205	6.43%	510	13.57%
Impairment on available for sale securities	46	1.09%	47	1.23%	49	1.39%	10	0.31%	8	0.24%	14	0.36%
	-	0.00%	-	0.00%	-	0.00%	3	0.09%	7	0.22%	57	1.51%
	168	3.98%	184	4.81%	257	7.22%	202	6.03%	220	6.89%	580	15.44%
Profit before tax	860	20.43%	640	16.76%	414	11.64%	275	8.21%	227	7.10%	126	3.35%
Taxation	189	4.49%	124	3.25%	77	2.15%	73	2.18%	82	2.57%	21	0.57%
Profit for the year	671	15.94%	516	13.51%	338	9.49%	202	6.03%	145	4.54%	104	2.78%

SIX YEARS' HORIZONTAL ANALYSIS

Statement of Financial Position/Profit and Loss

Rupees in million

STATEMENT OF FINANCIAL POSITION	15 vs 14		14 vs 13		13 vs 12		12 vs 11		11 vs 10		10 vs 09	
	2015	%	2014	%	2013	%	2012	%	2011	%	2010	%
ASSETS												
Non-current assets												
Property, plant and equipment	1,762	-0.28%	1,767	13.25%	1,560	14.96%	1,357	6.99%	1,268	16.24%	1,091	-4.09%
Intangible assets	9	-20.77%	11	-67.66%	34	-61.59%	88	10.93%	79	22.10%	65	0.00%
Net investment in finance leases	11,356	21.84%	9,336	15.56%	8,079	2.64%	7,871	-13.60%	9,110	-0.23%	9,130	-7.10%
Investment in associated undertakings	2,176	27.93%	1,701	-0.56%	1,711	9.10%	1,568	22.14%	1,284	5.16%	1,221	-25.76%
Long term investments	14	3.58%	14	1.61%	14	-22.40%	18	-91.16%	200	-2.66%	205	5.70%
Long term finances and loans	879	18.63%	741	-12.16%	844	11.45%	757	166.76%	284	46.29%	194	-66.64%
Long term deposits	10	-0.99%	10	-29.37%	14	4.38%	14	-2.90%	14	12.40%	13	-17.75%
	16,206	19.34%	13,580	10.81%	12,255	4.99%	11,672	-4.63%	12,238	2.68%	11,918	-11.49%
Current assets												
Short term finances	407	32.40%	308	26.37%	243	6.59%	228	-6.38%	244	-23.81%	320	-30.39%
Accrued return on investments and term finances	75	9.87%	68	95.07%	35	124.68%	16	287.80%	4	-72.67%	15	-72.69%
Current maturity of non-current assets	9,966	11.86%	8,910	7.37%	8,299	-0.94%	8,378	7.41%	7,800	-13.44%	9,011	-7.96%
Short term investments	1,106	1.66%	1,088	-31.98%	1,600	116.85%	738	105.89%	358	-70.55%	1,216	-17.10%
Advances and prepayments	47	-1.62%	48	-8.09%	52	-49.60%	103	54.15%	67	2.03%	66	-10.05%
Other receivables	75	-43.52%	132	-57.90%	313	-36.70%	495	-38.12%	800	-25.39%	1,072	-11.94%
Cash and bank balances	173	72.45%	100	-56.43%	231	-31.44%	336	38.84%	242	85.05%	131	-79.18%
Taxation - net	171	35.39%	126	45.42%	87	76.80%	49	48.35%	33	611.49%	5	-95.66%
Assets classified as held for sale	91	2.59%	89	582.78%	13	-0.47%	13	-15.32%	15	-37.07%	25	-58.70%
	12,111	11.43%	10,869	-0.03%	10,872	4.99%	10,356	8.28%	9,564	-19.36%	11,861	-14.41%
Total assets	28,318	15.82%	24,449	5.71%	23,127	4.99%	22,028	1.04%	21,802	-8.31%	23,779	-12.97%
EQUITY AND LIABILITIES												
Share capital and reserves												
Share capital and reserves	3,437	15.23%	2,983	15.23%	2,589	9.57%	2,363	9.35%	2,161	7.16%	2,016	-2.96%
Surplus on revaluation of leasehold land and office building	112	38.10%	81	-2.37%	83	-2.31%	85	-2.26%	87	100.00%	-	-
Non-current liabilities												
Long term finances	4,708	49.61%	3,147	-5.30%	3,323	46.15%	2,274	-28.17%	3,165	-30.33%	4,543	-43.92%
Long term loans	-	-100.00%	260	-69.33%	914	-52.85%	1,938	-10.79%	2,173	-31.81%	3,186	-17.56%
Long term certificates of deposit	5,117	40.29%	3,647	-15.99%	4,341	91.04%	2,273	85.39%	1,226	11.67%	1,098	7.04%
Long term deposits	5,239	16.82%	4,484	17.27%	3,824	6.64%	3,586	-16.77%	4,308	7.27%	4,016	-12.66%
Deferred taxation	454	14.82%	395	12.00%	353	24.10%	284	28.14%	222	84.87%	120	-44.82%
Other long term liabilities	268	8.34%	248	-16.34%	296	35.88%	218	34.14%	162	18.57%	137	30.35%
Post-employment benefits	1	-78.33%	4	-86.52%	29	53.15%	19	100.00%	-	0.00%	-	0.00%
	15,786	29.34%	12,205	-6.69%	13,080	23.50%	10,591	-5.91%	11,256	-14.08%	13,100	-26.86%
Current liabilities												
Trade and other payables	641	33.51%	480	16.97%	411	29.47%	317	24.57%	255	-0.20%	255	-0.88%
Accrued interest on loans, term finances and CODs	319	-29.70%	454	52.82%	297	-8.65%	325	-27.23%	447	-22.95%	580	-25.38%
Short term borrowings	884	27.30%	695	-25.78%	936	-1.14%	947	-14.61%	1,109	78.04%	623	-12.65%
Short term certificates of deposit	944	-7.35%	1,019	-4.76%	1,070	11.85%	957	29.68%	738	-2.36%	756	29.44%
Current maturity of non-current liabilities	6,194	-5.17%	6,532	40.10%	4,662	-27.65%	6,444	12.05%	5,751	-10.83%	6,449	28.93%
	8,983	-2.15%	9,179	24.46%	7,376	-17.95%	8,989	8.32%	8,299	-4.20%	8,662	18.13%
Total equity and liabilities	28,318	15.82%	24,449	5.71%	23,127	4.99%	22,028	1.04%	21,802	-8.31%	23,779	-12.97%
PROFIT AND LOSS												
INCOME												
Income from operations												
Finance lease	2,261	14.53%	1,974	3.91%	1,900	-5.62%	2,013	-4.56%	2,110	1.74%	2,073	-13.38%
Operating lease	900	-5.53%	953	12.07%	850	18.51%	717	10.55%	649	3.67%	626	6.14%
Mark-up on term / factoring finance	462	3.65%	446	12.42%	396	69.40%	234	68.46%	139	-3.22%	143	-26.13%
	3,623	7.43%	3,373	7.19%	3,146	6.14%	2,964	2.32%	2,897	1.92%	2,843	-10.53%
Income from other operating activities												
Other income - net	311	38.56%	224	-9.82%	249	-4.84%	261	38.41%	189	-52.25%	395	55.75%
Share of profit of equity accounted undertakings	275	23.37%	223	35.03%	165	33.60%	124	18.88%	104	-27.13%	143	54.76%
Gain on sale of investment in associated undertaking	-	0.00%	0	0.00%	0	0.00%	-	-	-	-100.00%	376	100.00%
	586	30.99%	447	8.08%	414	7.51%	385	31.47%	293	-67.98%	915	164.28%
Total Income	4,209	10.19%	3,820	7.29%	3,560	6.30%	3,349	5.00%	3,190	-15.10%	3,757	6.64%
EXPENSES												
Finance costs	1,728	4.18%	1,658	0.25%	1,654	-11.45%	1,868	4.04%	1,796	-13.02%	2,064	-19.67%
Administrative and general expenses	832	10.15%	755	3.44%	730	24.71%	585	6.71%	549	-8.52%	600	-7.95%
Direct cost of leases	622	6.80%	582	15.44%	504	20.33%	419	4.92%	400	3.25%	387	3.37%
	3,182	6.19%	2,996	3.71%	2,889	0.56%	2,873	4.70%	2,744	-10.08%	3,051	-15.15%
Profit before provision and taxes	1,027	24.71%	824	22.69%	672	40.88%	477	6.82%	446	-36.80%	706	1075.50%
Provisions and impairment												
Allowance for potential lease and loan losses	122	-11.11%	137	-34.08%	208	10.22%	188	-8.19%	205	-59.75%	510	59.33%
Other provisions	46	-2.22%	47	-5.05%	49	374.34%	10	37.12%	8	-44.02%	14	238.38%
Impairment on available for sale securities	-	0.00%	0	0.00%	0	-100.00%	3	-56.45%	7	-87.92%	57	75.56%
Total Provision & Impairment	168	-8.84%	184	-28.50%	257	27.39%	202	-8.13%	220	-62.14%	580	62.82%
Profit before tax	860	34.34%	640	54.45%	414	50.78%	275	21.31%	227	79.89%	126	129.38%
Taxation	189	52.44%	124	62.07%	77	4.79%	73	-10.88%	82	281.48%	21	-44.06%
Profit for the year	671	29.99%	516	52.72%	338	67.42%	202	39.53%	145	38.46%	104	122.37%

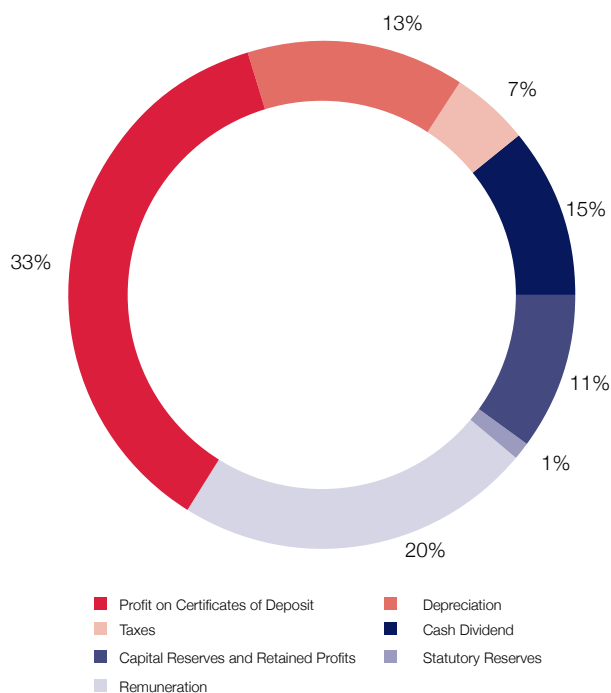
STATEMENT OF VALUE ADDITION

Rupees

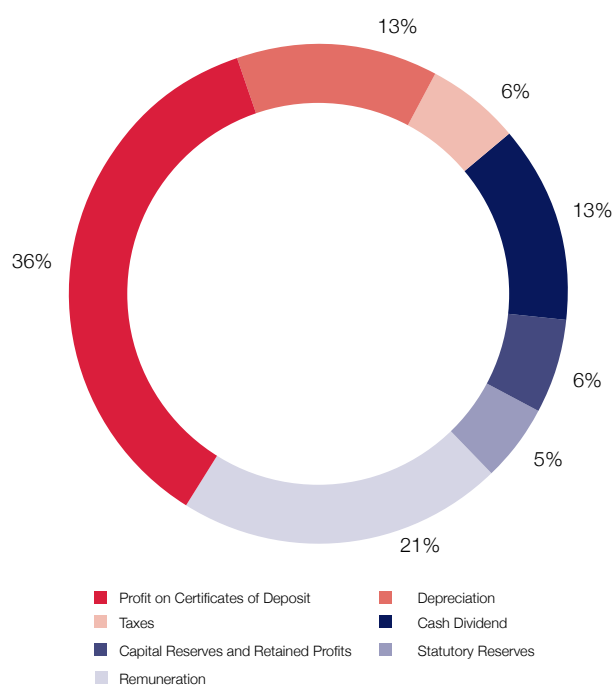
	2015	2014
Revenues from operations	3,455,536,077	3,188,790,839
Other income	310,724,363	224,245,569
Share of profit of associates	275,148,114	223,019,793
	4,041,408,554	3,636,056,201
Financial cost	911,045,605	873,975,799
Direct cost of leases and services	618,160,637	609,509,224
	1,529,206,242	1,483,485,023
Value Added	2,512,202,312	2,152,571,178

Distribution of Value Addition	2015	%	2014	%
Distributed as follows:				
Remuneration	511,052,688	20%	451,221,610	21%
Profit on Certificates of Deposit	816,643,147	33%	784,403,341	36%
Depreciation	324,602,938	13%	276,845,714	13%
Taxes	189,000,000	7%	123,987,252	6%
Cash dividend	369,238,185	15%	287,185,255	13%
Profit retained	268,120,177	11%	125,828,006	6%
Statutory reserves	33,545,177	1%	103,100,000	5%
	2,512,202,312	100%	2,152,571,178	100%

Distribution of Value Addition – 2015



Distribution of Value Addition – 2014



Financial Performance

For the year ended June 30, 2015

Shariah Advisor's Report

For the year ended June 30, 2015



ORIX Leasing Pakistan Limited (OLP) established Islamic Finance Division (IFD) in April 1st, 2011. OLP-IFD, with the consultation of undersigned, developed and executed initially the following two Shariah Complaint products:

- Ijarah, and
- Diminishing Musharakah

By the grace of Allah, the year under review, was the fourth year of Islamic financing at ORIX Leasing Pakistan Limited. During the last year concluded, OLP executed the transactions of Ijarah and Diminishing Musharakah amounting to Rupees 160.98 Million.

In the capacity of Shariah Advisor I have to report on the Shariah compliance of the affairs of the Islamic Finance of OLP as well as related factors which contribute to the operations of Islamic Finance like staff training, product development, etc.

Shariah Compliance:

The two wings of OLP are funding arrangements and investments of these funds. Shariah compliance needs to be ensured at both ends i.e. sources of funds and their applications. Based on my review of both the aspects, I report that the Ijarah and Diminishing Musharakah have been carried out in accordance with the rules and principles of Shariah. I hereby certify that the treasury function and accounting treatment of the products conform to Shariah requirements. I further report that OLP got the approval of undersigned before disbursement and execution of each and every Islamic Financing transaction.

Islamic Finance Training:

Human resource is the key determinant in success or failure of any product. By training and educating the employees, risk of non-compliance can be mitigated to a large extent. At OLP undersigned conducted various training sessions on the products in which the relevant staff of OLP participated.

Alhamdulillah OLP has been working sincerely and enthusiastically on the development, and refinement of its Islamic products to make them more attractive and competitive in terms of processing time and pricing with conventional finance.

May Allah accept our efforts and grant us success in this regard. We also pray to Allah Almighty and seek His Guidance and Blessings for further progress, development, and prosperity of ORIX LEASING PAKISTAN LIMITED and ISLAMIC FINANCE.

Mufti Ibrahim Essa

Shariah Advisor

Dated: September 14, 2015



Review Report to the Members on the Statement of Compliance with the Best Practices of the Code of Corporate Governance



A. F. FERGUSON & CO.

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the code) prepared by the Board of Directors of ORIX Leasing Pakistan Limited for the year ended June 30, 2015 to comply with the requirements of Listing Regulation No. 35 (Chapter XI) of the Karachi, Lahore and Islamabad Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length prices recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length prices or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2015.

A handwritten signature in black ink, appearing to read 'A. Ferguson', is written over a faint, illegible printed name.

Chartered Accountants

Dated: September 18, 2015

Karachi

Auditors' Report to the Members

For the year ended June 30, 2015



A. F. FERGUSON & CO.

We have audited the annexed balance sheet of **ORIX Leasing Pakistan Limited** (the Company) as at June 30, 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied.
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2015 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980, was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

A handwritten signature in black ink, appearing to read 'Rashid A. Jafer'.

Chartered Accountants

Engagement Partner: Rashid A. Jafer

Dated: September 18, 2015

Karachi


Balance Sheet

As at June 30, 2015

	Note	2015	2014
		Rupees	
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,761,811,476	1,766,703,090
Intangible assets	5	8,631,456	10,894,523
Net investment in finance lease	6	20,823,948,377	17,774,664,986
Current maturity	12	(8,746,722,525)	(7,679,925,643)
Allowance for potential lease losses	38	(721,375,996)	(759,020,567)
		(9,468,098,521)	(8,438,946,210)
		11,355,849,856	9,335,718,776
Investment in associated undertakings	7	2,176,352,899	1,701,150,417
Long term investments	8	14,404,648	13,906,241
Long term finances and loans	9	879,256,372	741,206,025
Long term deposits		10,048,864	10,149,703
		16,206,355,571	13,579,728,775
Current assets			
Short term finances	10	407,365,321	307,676,931
Accrued return on investments and term finance	11	74,783,699	68,066,629
Current maturity of non-current assets	12	9,966,101,697	8,909,826,715
Short term investments	13	1,105,942,382	1,087,935,861
Advances and prepayments	14	46,986,270	47,758,782
Other receivables	15	74,513,043	131,926,872
Cash and bank balances	16	173,286,352	100,483,822
Taxation - net		171,010,858	126,314,272
Assets classified as held for sale	17	91,302,209	88,995,488
		12,111,291,831	10,868,985,372
Total assets		28,317,647,402	24,448,714,147
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
350,000,000 (2014: 350,000,000) Ordinary shares of Rs. 10 each		3,500,000,000	3,500,000,000
Issued, subscribed and paid-up capital	18	820,529,300	820,529,300
Reserves		2,616,491,028	2,162,290,834
		3,437,020,328	2,982,820,134
Surplus on revaluation of leasehold land and office building	19	112,009,008	81,109,116
Non-current liabilities			
Long term finances	20	4,707,563,110	3,146,602,029
Long term loans	21	-	280,306,798
Long term certificates of deposit	22	5,116,943,351	3,647,417,555
Long term deposits	23	5,238,768,218	4,484,318,085
Deferred taxation	24	453,715,266	395,139,051
Other long term liabilities	25	268,234,514	247,588,070
Post-employment benefits	36.2.2	849,197	3,919,447
		15,786,073,656	12,205,291,035
Current liabilities			
Trade and other payables	26	641,102,036	480,190,971
Accrued interest / mark-up on loans, finances and certificates of deposit	27	318,976,673	453,729,354
Short term borrowings	28	884,301,394	694,635,094
Short term certificates of deposit	29	944,348,226	1,019,234,608
Current maturity of non-current liabilities	30	6,193,816,081	6,531,703,835
		8,982,544,410	9,179,493,862
Total equity and liabilities		28,317,647,402	24,448,714,147
Contingencies and commitments	31		

The annexed notes 1 to 52 form an integral part of these financial statements.


Teizoon Kisat
 Chief Executive


Humayun Murad
 Director

Profit and Loss Account

For the year ended June 30, 2015

	Note	2015	2014
		Rupees	
INCOME			
Income from operations			
Finance leases		2,261,355,111	1,974,465,857
Operating leases	32	899,996,716	952,631,523
Mark-up on term finance		461,745,792	445,502,751
		3,623,097,619	3,372,600,131
Income from other activities			
Other income - net	33	310,724,363	224,245,569
Share of profit of equity accounted undertakings	34	275,148,114	223,019,793
		585,872,477	447,265,362
		4,208,970,096	3,819,865,493
EXPENSES			
Finance cost	35	1,727,688,752	1,658,379,140
Administrative and general expenses	36	831,862,873	755,240,976
Direct cost of lease	37	621,953,390	582,335,572
		3,181,505,015	2,995,955,688
Profit before provision and taxation		1,027,465,081	823,909,805
Allowance for potential lease and other loan losses - net	38	121,674,976	136,880,218
Other provisions - net	39	45,886,566	46,929,074
		167,561,542	183,809,292
Profit before tax		859,903,539	640,100,513
Taxation	43	189,000,000	123,987,252
Profit for the year		670,903,539	516,113,261
Earnings per share - basic and diluted	49	8.18	6.29

The annexed notes 1 to 52 form an integral part of these financial statements.

Teizoon Kisat
Chief Executive

Humayun Murad
Director

Statement of Comprehensive Income

For the year ended June 30, 2015

	Note	2015	2014
		Rupees	
Profit for the year		670,903,539	516,113,261
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Exchange difference arising on translation of foreign associates - net of deferred tax		26,702,650	(25,571,167)
Unrealised gain due to change in fair value of available for sale securities - net		25,088,542	2,081,805
Unrealised gain due to sale of available for sale securities transferred to profit and loss account		(10,375,284)	-
Net unrealised loss on revaluation of investments classified as available for sale transferred to profit and loss account as impairment loss		3,114,225	-
		17,827,483	2,081,805
Net gain on cash flow hedging instruments		23,058,707	83,779,535
		67,588,840	60,290,173
Items that will not be reclassified to profit and loss			
Remeasurements of post employment benefit	36.2.4	(134,314)	(4,753,683)
Total comprehensive income for the year		738,358,065	571,649,751

The annexed notes 1 to 52 form an integral part of these financial statements.


Teizoon Kisat
 Chief Executive


Humayun Murad
 Director

Cash Flow Statement

For the year ended June 30, 2015

	Note	2015	2014
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit before working capital changes	44	2,603,334,328	2,420,818,677
(Increase) / decrease in operating assets			
Investment in finance lease - net		(3,190,671,815)	(1,891,026,053)
Long term finances and loans - net		(151,358,154)	2,738,651
Short term finances		(93,789,806)	(78,211,478)
Long term deposits		100,839	4,221,211
Advances and prepayments		772,512	4,202,483
Other receivables		(14,664,806)	(4,071,380)
		(3,449,611,230)	(1,962,146,566)
Increase / (decrease) in operating liabilities			
Deposits from lessees - net		941,014,855	601,053,803
Mark-up paid		(891,267,782)	(924,561,368)
Payment against staff retirement benefits		(15,204,085)	(42,459,161)
Profit paid on certificates of deposit		(932,099,617)	(597,574,676)
Trade and other payables		132,139,098	55,316,611
		(765,417,531)	(908,224,791)
Net cash (used in) / generated from operating activities before income tax		(1,611,694,433)	(449,552,680)
Income tax paid		(158,976,234)	(110,948,172)
Net cash used in operating activities		(1,770,670,667)	(560,500,852)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred - own use and intangible assets		(68,262,583)	(43,158,509)
Proceeds from disposal of assets - own use		19,097,931	16,663,022
Capital expenditure incurred - operating lease assets		(140,464,106)	(373,171,487)
Capital expenditure incurred - Ijarah finance		(134,260,800)	(123,172,000)
Proceeds from sale of operating lease assets		21,906,400	30,849,978
Proceeds from sale of Ijarah finance assets		4,452,765	32,552,632
Investments - net		90,611,308	536,379,207
Purchase of right shares of equity accounted undertaking		(193,330,000)	-
Dividend received		30,052,040	95,041,620
Interest received		99,982,222	86,472,669
Net cash (used in) / generated from investing activities		(270,214,823)	258,457,132
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term loans		5,701,010,000	2,778,367,080
Short term borrowings - net		-	(650,000,000)
Certificates of deposit issued - net		671,090,206	728,177,953
Repayment of long term loans and finances		(4,162,587,456)	(2,913,642,906)
Dividend paid		(285,491,030)	(179,667,725)
Net cash generated from / (used in) financing activities		1,924,021,720	(236,765,598)
Net decrease in cash and cash equivalents		(116,863,770)	(538,809,318)
Cash and cash equivalents at beginning of the year		(594,151,272)	(55,341,954)
Cash and cash equivalents at end of the year	45	(711,015,042)	(594,151,272)

The annexed notes 1 to 52 form an integral part of these financial statements.



Teizoon Kisat
Chief Executive



Humayun Murad
Director

Statement of Changes in Equity

For the year ended June 30, 2015

	Issued, subscribed and paid-up capital	Capital Reserves		Revenue Reserves			Total shareholders equity	
		Share premium	Statutory reserve	Unappropriated profit	Unrealised (losses) / gains on investment	Hedging reserve		Foreign currency translation reserves
Rupees								
Balance as at July 1, 2013	820,529,300	448,603,499	762,900,000	377,761,296	7,656,936	(141,870,088)	313,078,500	2,588,659,443
Total comprehensive income for the year ended June 30, 2014								
Profit for the year	-	-	-	516,113,261	-	-	-	516,113,261
Other comprehensive income								
Exchange difference arising on translation of foreign associates - net of deferred tax	-	-	-	-	-	-	(25,571,167)	(25,571,167)
Unrealised gain due to change in fair value of available for sale securities - net	-	-	-	-	2,081,805	-	-	2,081,805
Net gain on hedging instruments	-	-	-	-	-	83,779,535	-	83,779,535
Re-measurement of post employment benefit	-	-	-	(4,753,683)	-	-	-	(4,753,683)
	-	-	-	(4,753,683)	2,081,805	83,779,535	(25,571,167)	55,536,490
Transactions with owner recorded directly in equity-distribution								
Cash dividend @ Rs.2.20 per ordinary share of Rs. 10.00 each for the year ended June 30, 2013	-	-	-	(180,516,446)	-	-	-	(180,516,446)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	-	3,027,386	-	-	-	3,027,386
Transfer to statutory reserve	-	-	103,100,000	(103,100,000)	-	-	-	-
Balance as at June 30, 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 year ended June 30, 2015								
Profit for the year	-	-	-	670,903,539	-	-	-	670,903,539
Other comprehensive income								
Exchange difference arising on translation of foreign associates - net of deferred tax	-	-	-	-	-	-	26,702,650	26,702,650
Unrealised gain due to change in fair value of available for sale securities - net	-	-	-	-	25,088,542	-	-	25,088,542
Unrealised gain due to sale of available for sale securities transferred to profit and loss account	-	-	-	-	(10,375,284)	-	-	(10,375,284)
Net unrealised loss on revaluation of investments classified as available for sale transferred to profit and loss account as impairment loss	-	-	-	-	3,114,225	-	-	3,114,225
Net gain on hedging instruments	-	-	-	-	-	23,058,707	-	23,058,707
Re-measurement of post employment benefit	-	-	-	(134,314)	-	-	-	(134,314)
	-	-	-	(134,314)	17,827,483	23,058,707	26,702,650	67,454,526
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)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	-	3,027,384	-	-	-	3,027,384
Transfer to statutory reserve	-	-	33,545,177	(33,545,177)	-	-	-	-
Balance as at June 30, 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

The annexed notes 1 to 52 form an integral part of these financial statements.

Teizoon Kiset
Chief Executive

Humayun Murad
Director

Notes to the Financial Statements

For the year ended June 30, 2015

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 Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the Company is situated at Islamic Chamber of Commerce Building, Clifton, Karachi. The Company is licensed to carry out leasing business as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules) issued by the Securities and Exchange Commission of Pakistan (SECP).

- 1.1 Pakistan Credit Rating Agency Limited (PACRA) has assigned a long term credit rating of AA+ and a short term credit rating of A1+ to the Company on January 15, 2015.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. The approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment 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 Securities and Exchange Commission of Pakistan (SECP). In case the requirements differ, the provisions of and directives issued under the NBFC Rules, the NBFC Regulations, the Companies Ordinance and the directives issued by the SECP prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the following:

- Leasehold land and office building are stated at revalued amounts.
- Derivative financial instruments are stated at fair value.
- Financial instruments at fair value through profit or loss are measured at fair value.
- Available for sale financial assets are valued at fair value.
- Obligation in respect of gratuity schemes are measured at present value.
- Financial assets classified as held to maturity are carried at amortised cost.
- Non current assets classified as held for sale are valued at lower of cost and fair value.

2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistani Rupees which is the Company's functional and presentation currency. All financial information presented in Pakistani Rupees has been rounded to the nearest rupee.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on going basis. Revision to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Financial Statements

For the year ended June 30, 2015

In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

- (a) determining the residual values and useful lives of property, plant and equipment (Note 3.1);
- (b) allowance for potential lease and other loan losses (Note 3.4);
- (c) classification of financial assets (Note 3.6);
- (d) valuation of derivatives (Note 3.11);
- (e) provisions (Note 3.15);
- (f) recognition of taxation and deferred tax (Note 3.17);
- (g) accounting for post employment benefits (Note 3.20);
- (h) employees compensated absences (Note 3.21); and
- (i) impairment (Note 3.22).

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

There are certain amendments to the standards and new interpretations that are mandatory for the Company's accounting periods beginning on or after July 1, 2014 but are considered not to be relevant or do not have any significant effect on the Company's financial statements and are, therefore, not disclosed.

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

The Securities and Exchange Commission of Pakistan has, through its circular 633 (I) / 2014, adopted IFRS 10 effective January 1, 2015. This standard has introduced a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal with only separate financial statements.

There are other new and amended standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 1, 2015 but are considered not to be relevant or will not have any material effect on the Company's financial statements and are, therefore, not disclosed.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies applied in the preparation of these financial statements are set forth below. These accounting policies have been applied consistently to all the years presented, unless otherwise specified.

3.1 Property, plant and equipment

Property, plant and equipment (except leasehold land and office buildings) are stated at cost less accumulated depreciation and impairment losses, if any. Leasehold land and office buildings are carried at revalued amounts less accumulated depreciation and subsequent impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Cost incurred to replace a component of an item of property, plant and equipment is capitalised and the asset so replaced is retired from use. Cost incurred on overhaul of generators is depreciated over the enhanced useful lives of these generators. All other repairs and maintenance expenditure are charged to the profit and loss account during the period in which they are incurred.

Depreciation is charged using the straight line method over its estimated useful life, at the rates specified in notes 4.1, 4.2 and 4.3 to the financial statements, after taking into account residual value, except for generators under operating lease assets which are depreciated on hourly usage basis. The carrying value of leasehold

Notes to the Financial Statements

For the year ended June 30, 2015

land is amortised over its lease term. Depreciation on additions is charged from the month the assets are available for use. No depreciation is charged in the month of disposal.

During the year, the Company has revised its estimate of the useful life of gas generators under the category of operating lease assets. The effect of this change in accounting estimate is disclosed in note 4.2.1

Surplus arising on revaluation is credited to the surplus on revaluation of fixed assets account. Deficit arising on subsequent revaluation of fixed assets is adjusted against the balance in the above mentioned surplus account as allowed under the provisions of the Companies Ordinance, 1984. The surplus on revaluation of fixed assets to the extent of incremental depreciation charged on the related assets is transferred to unappropriated profit.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains / losses on disposal of fixed assets, if any, are taken to the profit and loss account in the period in which they arise except that the related surplus on revaluation of fixed assets (net of deferred taxation) is transferred directly to unappropriated profit.

Assets having an indefinite useful life are stated at acquisition cost less accumulated impairment losses, if any.

The asset's residual values, useful lives and methods are reviewed and adjusted, if appropriate, at each balance sheet date.

Ijarah assets

Rental from Ijarah arrangements are recognised in the profit and loss account on an accrual basis as and when rentals become due. Costs including depreciation, incurred in earning the Ijarah income are recognised as expense. Initial direct costs incurred specifically to earn revenues from Ijarah are recognised as an expense in the period in which they are incurred. The Ijarah assets are depreciated over the period of Ijarah on a straight line basis at the rates specified in note 4.3.

3.2 Intangible assets

Intangible assets having definite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is charged as disclosed in note 5.3 applying the straight-line method over the useful lives of the assets. Amortisation is charged from the month in which the asset is available for use, while no amortisation is charged for the month in which the asset is disposed off. The useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Subsequent costs are included in the asset's carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Gains and losses on disposals, if any, are taken to the profit and loss account in the period in which they arise.

3.3 Net investment in finance lease

Leases in which the Company transfers substantially all the risks and rewards incidental to the ownership of an asset to the lessees are classified as finance leases. A receivable is recognised at an amount equal to the present value of the minimum lease payments, including any guaranteed residual value which are included in the financial statements as "net investment in finance leases".

3.4 Allowance for potential lease and other loan losses

The allowance for potential lease and other loan losses is maintained at a level which, in the judgment of management, is adequate to provide for potential losses on lease and other loan portfolio which can be

Notes to the Financial Statements

For the year ended June 30, 2015

reasonably anticipated. The allowance is increased by provisions charged to income and is decreased by charge offs, net of recoveries.

Calculating the allowance for potential lease and other loan losses is subject to numerous judgments and estimates. In evaluating the adequacy of allowance, management considers various factors, including the requirements of the NBFC Regulations, the nature and characteristics of the obligor, current economic conditions, credit concentrations or deterioration in pledged collateral, historical loss experience and delinquencies. Lease and other loan receivables are charged off when, in the opinion of management, the likelihood of any future collection is believed to be minimal.

3.5 Assets classified as held for sale

The Company classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

A non-current asset held for sale is carried at the lower of its carrying amount and the fair value less costs to sell. Impairment losses are recognised through the profit and loss account for any initial or subsequent write down of the non-current asset to fair value less costs to sell. Subsequent gains in fair value less costs to sell are recognised to the extent they do not exceed the cumulative impairment losses previously recorded. A non-current asset is not depreciated while classified as held for sale.

3.6 Financial assets

The Company classifies its financial assets into the following categories:

- at fair value through profit and loss
- loans and receivables
- held-to-maturity
- available-for-sale

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of the financial asset at the time of initial recognition.

a) Financial assets at 'fair value through profit and loss'

Investments are designated at 'fair value through profit and loss' if the Company manages such investments and makes purchase and sale decisions based on their fair values. These are initially recognised at fair value and transaction costs associated with these investments are taken directly to the profit and loss account. Investments at 'fair value through profit and loss' are marked to market using the closing market rates and are carried on the balance sheet at fair values. Net gains and losses arising on changes in the fair value of these investments are taken to the profit and loss account.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables comprise of loans, advances, deposits, other receivables and cash and cash equivalents.

c) Held-to-maturity

Held to maturity investments are non-derivative financial instruments with fixed or determinable payments and fixed maturity that the Company has the positive intent and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held to maturity are recognised initially at cost plus attributable transaction costs. Subsequently, these are measured at amortised cost.

Gains and losses are recognised in income when the investments are derecognised or impaired. Premiums and discounts on held-to-maturity investments are amortised using the effective interest rate method and taken to profit and loss from investments.

Notes to the Financial Statements

For the year ended June 30, 2015

d) Available-for-sale

Other financial assets not covered in any of the above categories are classified as being available for sale.

All financial assets classified as 'available-for-sale' are initially recognised at cost, being the fair value of the consideration given including acquisition charges.

After initial recognition, financial assets which are classified as 'available-for-sale' are remeasured at fair value. Gains or losses on 'available-for-sale' investments are recognised directly in equity through other comprehensive income until the investment is sold, derecognised or is determined to be impaired, at which time the cumulative gain or loss previously reported in other comprehensive income is included in the profit and loss account.

For financial assets that are actively traded in organised financial markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the balance sheet date.

Unquoted financial assets, where the fair value cannot be reliably determined, are recognised at cost less impairment, if any. Provision for impairment in value, if any, is taken to income currently.

3.6.1 Impairment

The Company assesses at the end of each reporting period whether there is any objective evidence that its financial assets are impaired. When there is an objective evidence that an impairment loss has been incurred, the amount of loss is measured as follows:

a) Held-to-maturity

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the investment's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit and loss account.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating) the reversal of the previously recognised impairment loss is recognised in the profit and loss account.

b) Available-for-sale

Impairment loss in respect of investments classified as available for sale is recognised based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments. A significant or prolonged decline in the fair value of a listed equity investment below its cost is also considered an objective evidence of impairment. In case of impairment of available for sale securities, the cumulative loss that has been recognised directly in surplus / deficit on revaluation of securities on the statement of financial position is removed therefrom and recognised in the profit and loss account.

3.7 Financial instruments

All financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Company loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

3.8 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements only when the Company has a legally enforceable right to set off and the Company intends to either settle on a net basis, or to realise the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the financial statements only when permitted by the approved accounting standards as applicable in Pakistan.

Notes to the Financial Statements

For the year ended June 30, 2015

3.9 Regular way Contracts

All “regular way” purchases and sales of financial assets are recognised on settlement date, i.e. the date on which the asset is delivered to or by the Company.

3.10 Investment in associates - equity method

The Company’s investment in its associates is accounted for under the equity method of accounting where an associate is an entity in which the Company has significant influence and which is neither a subsidiary nor a joint venture.

Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post-acquisition changes in the Company’s share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Company determines whether it is necessary to recognise any additional impairment loss with respect to the Company’s net investment in the associate. The income statement reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the Company recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity.

Associates’ accounting policies conform to those used by the Company for like transactions and events in similar circumstances.

3.11 Derivative financial instruments and hedging activities

The Company uses derivative financial instruments to hedge its risks associated with interest rate and foreign currency fluctuations. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and the attributable transaction costs are recognised in the profit and loss account when incurred. Subsequent to initial recognition, derivatives are remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Any gains or losses arising from changes in fair values on derivatives during the year that do not qualify for hedge accounting are taken directly to profit and loss account.

The fair value of unquoted derivatives, if any, is determined by discounted cash flows using appropriate interest rates applicable to the underlying asset.

The Company designates certain derivatives as either:

- (a) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
or
- (b) hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge)

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit and loss, together with any changes in the fair value of the hedged asset or liability

Notes to the Financial Statements

For the year ended June 30, 2015

that are attributable to the hedged risk. The gain or loss attributable to the hedged risk is recognised in profit and loss and adjust the carrying amount of the hedged item.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit and loss over the period to maturity.

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedge is recognised in equity through other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the profit and loss account.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the profit and loss account. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that is reported in equity is immediately transferred to the profit and loss account.

3.12 Long term finances and loans

Long term finances and loans are initially recognised at cost being the fair value of consideration received together with the associated transaction costs. Subsequently, these are carried at amortised cost using the effective interest rate method.

Transaction costs relating to long term finance are being amortised over the period of agreement using the effective interest rate method.

3.13 Foreign currency transactions

Foreign currency transactions are translated into Pakistan rupees at exchange rates prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the balance sheet date. Gains and losses on translation are taken to income currently except for difference arising on translation of equity accounted undertakings which are recognised directly in equity through other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

3.14 Certificates of Deposit

Return on Certificates of Deposits (CODs) issued by the Company is recognised on a time proportionate basis taking into account the relevant CODs issue date and final maturity date.

3.15 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

3.16 Proposed dividend and transfer between reserves

Dividends and appropriations to reserves, except appropriations which are required by law, made subsequent to the balance sheet date are considered as non-adjusting events and are recorded in the financial statements

Notes to the Financial Statements

For the year ended June 30, 2015

in accordance with the requirements of International Accounting Standard (IAS) 10, 'Events after the Balance Sheet Date' in the year in which they are approved / transfers are made.

3.17 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity through other comprehensive income.

Current

Provision for current taxation is based on taxable income for the year. Tax charge for the current year is determined in accordance with the prevailing laws for taxation. The charge for the current tax is calculated using tax rates enacted or substantively enacted at the balance sheet date. The charge for the current tax also includes adjustments relating to prior years, if necessary, arising from assessments finalised during the year.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities used for financial reporting purposes and amounts used for taxation purposes. In addition, the Company also records deferred tax asset on available tax losses. Deferred tax is calculated using the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

The Company also recognises deferred tax asset / liability on deficit / surplus on revaluation of securities / fixed assets which is adjusted against the related deficit / surplus in accordance with the requirements of International Accounting Standard (IAS-12) Income Taxes.

3.18 Revenue recognition

Finance leases

The Company follows the 'financing method' in accounting for recognition of finance lease. The total unearned finance income i.e. the excess of aggregate installment contract receivables plus residual value over the cost of the leased asset is deferred and then amortised over the term of the lease, so as to produce a systematic return on the net investment in finance leases.

Revenue from finance leases is not accrued when rent is past due by ninety days or more.

Front end fee and other lease related income is recognised as income on receipt basis.

Operating lease income

Rental income from assets classified as operating lease is recognised on an accrual basis.

Ijarah lease income

Rental from Ijarah arrangements are recognised in profit and loss on accrual basis as and when rentals become due.

Notes to the Financial Statements

For the year ended June 30, 2015

Return on investments

Return on debt securities is recognised using the effective interest rate method.

Dividend income from investments is recognised when the Company's right to receive the dividend is established.

Gain / loss on sale of investments is taken to income in the period in which it arises.

Loans and finances

Income on term loans and finances are recognised on a time proportion basis taking into account the principal / net investment outstanding and applicable rates of profit thereon except in case of loans classified under the NBFC Regulations on which income is recognised on receipt basis.

Interest / mark-up on rescheduled / restructured advances and investments is recognised in accordance with the NBFC Regulations.

Others

Income from reverse repurchase transactions is recognised on a time proportion basis.

3.19 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

3.20 Staff retirement benefits

(a) Defined contribution plan

The Company operates a recognised contributory Provident Fund Scheme (the Fund) for all its permanent employees who have completed the minimum qualifying period of six months service. The Fund is administered by a Board of Trustees. Equal monthly contributions to the Fund are made both by the Company and by the employees, at the rate of 10% of basic salary.

(b) Defined benefit plan

The Company operates an approved funded Gratuity Scheme covering all permanent employees who have completed the qualifying period under the scheme. The scheme is administered by a Board of Trustees and contributions therein are made in accordance with the actuarial recommendations. The valuation in this regard is carried out at each balance sheet date, using the Projected Unit Credit Method for the valuation of the scheme.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income when they occur with no subsequent recycling through the profit and loss account.

3.21 Employees compensated absences

The Company provides for unavailed compensated absences for all its permanent employees on the basis of actuarial advice under the Projected Unit Credit Method. Remeasurement gains and losses pertaining to long term compensated absences are recognised in profit and loss account immediately.

Notes to the Financial Statements

For the year ended June 30, 2015

3.22 Impairment

The carrying amount of assets is reviewed at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amount. The resulting impairment loss is taken to the profit and loss account.

3.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting structure. Management monitors the operating results of its business units separately for the purpose of making decisions regarding resource allocation and performance assessment. Segment results, assets and liabilities includes items directly attributable to segment as well as those that can be allocated on a reasonable basis.

4 PROPERTY, PLANT AND EQUIPMENT

	Note	2015	2014
		Rupees	
Fixed assets - own use	4.1	392,126,268	388,821,912
Fixed assets - on operating lease	4.2	1,184,613,802	1,231,865,683
Fixed assets - Ijarah finance	4.3	185,071,406	146,015,495
		1,761,811,476	1,766,703,090

4.1 Fixed assets - own use

Description	2015							
	Cost / Revalued Amount			Accumulated depreciation / amortisation			Net book value	
	As at July 1, 2014	Additions / (disposals)	As at June 30, 2015	As at July 1, 2014	Charge for the year / (on disposals)	As at June 30, 2015	As at June 30, 2015	Rate / years
	Rupees							
Leasehold land	152,412,237	–	152,412,237	8,440,717	1,640,160	10,080,877	142,331,360	77 & 99 years
Office building	112,634,044	–	112,634,044	24,888,161	5,884,224	30,772,385	81,861,659	5%
Stock Exchange rooms	15,700,000	–	10,500,000	7,700,000	–	5,000,000	5,500,000	Indefinite life
		(5,200,000)			(2,700,000)			
Leasehold improvements	84,893,755	5,551,116	76,536,880	60,717,890	10,213,581	58,414,279	18,122,601	15%
		(13,907,991)			(12,517,192)			
Furniture, fittings and office equipment	76,764,387	20,306,287	94,860,885	53,553,836	7,494,565	59,245,662	35,615,223	15% - 25%
		(2,209,789)			(1,802,739)			
Vehicles	145,371,425	36,345,600	157,130,374	50,788,214	17,942,110	53,955,824	103,174,550	20% - 25%
		1,250,000 *			–			
		(25,836,651)			(14,774,500)			
Computers and accessories	32,677,356	2,838,120	34,576,478	25,542,474	4,441,325	29,055,603	5,520,875	33%
		(938,998)			(928,196)			
	620,453,204	65,041,123	638,650,898	231,631,292	47,615,965	246,524,630	392,126,268	
		1,250,000 *			–			
		(48,093,429)			(32,722,627)			

* Represents assets transferred to own used assets from finance lease.

Notes to the Financial Statements

For the year ended June 30, 2015

Description	2014							
	Cost / Revalued Amount			Accumulated depreciation / amortisation			Net book value	
	As at July 1, 2013	Additions/ (disposals)/ (write-off)	As at June 30, 2014	As at July 1, 2013	Charge for the year/(on disposals) / (writeoff)	As at June 30, 2014	As at June 30, 2014	Rate / years
	Rupees							
Leasehold land	152,412,237	-	152,412,237	6,800,557	1,640,160	8,440,717	143,971,520	77 & 99 years
Office building	112,148,494	485,550	112,634,044	19,003,937	5,884,224	24,888,161	87,745,883	5%
Stock Exchange rooms	15,700,000	-	15,700,000	7,700,000	-	7,700,000	8,000,000	Indefinite life
Leasehold improvements	115,515,859	221,872	84,893,755	79,924,359	11,637,507	60,717,890	24,175,865	15%
		(30,843,976)			(30,843,976)			
Furniture, fittings and office equipment	69,234,558	12,351,794	76,764,387	50,190,048	7,178,574	53,553,836	23,210,551	15% - 25%
		(4,821,965)			(3,814,786)			
Vehicles	144,962,755	24,054,621	145,371,425	46,349,682	18,426,600	50,788,214	94,583,211	20% - 25%
		(23,645,951)			(13,988,068)			
Computers and accessories	30,206,367	4,564,872	32,677,356	24,135,196	3,501,161	25,542,474	7,134,882	33%
		(2,093,883)			(2,093,883)			
	640,180,270	41,678,709	620,453,204	234,103,779	48,268,226	231,631,292	388,821,912	
		(30,561,799)			(19,896,737)			
		(30,843,976)			(30,843,976)			

4.1.1 The latest revaluation of leasehold land and office building was carried out under market value basis by an independent professional valuer on June 30, 2011. The revaluation was carried out by M/s. SURVAL, resulting in a surplus of Rs. 133.86 million over their book values. This has been carried to surplus on revaluation of leasehold land and office building.

Had the revaluation not been carried out, costs, accumulated depreciation and written down value of leasehold land and office building thereon would have been as follows:

	2015		
	Cost	Accumulated depreciation	Book value
	Rupees		
Leasehold land	54,399,300	5,975,628	48,423,672
Office building	76,781,580	22,768,101	54,013,479
	131,180,880	28,743,729	102,437,151

	2014		
	Cost	Accumulated depreciation	Book value
	Rupees		
Leasehold land	54,399,300	5,361,780	49,037,520
Office building	76,781,580	18,884,949	57,896,631
	131,180,880	24,246,729	106,934,151

4.1.2 Included in cost of fixed assets - own use are fully depreciated items which are still in use aggregating to Rs. 104.85 million (2014: Rs. 67.14 million).

Notes to the Financial Statements

For the year ended June 30, 2015

4.1.3 Details of fixed assets - own use, disposed during the year are as follows:

Description	Cost	Accumulated depreciation / impairment	Book value	Sale proceeds	Mode of disposal	Particulars of buyers
	Rupees					
Stock Exchange rooms	5,200,000	2,700,000	2,500,000	1,825,000	Negotiation	Mr. Naeem Rafi
	5,200,000	2,700,000	2,500,000	1,825,000		
Leasehold improvements	13,907,991	12,517,192	1,390,799	1,000,000	Negotiation	Iceberg Industries
	13,907,991	12,517,192	1,390,799	1,000,000		
Furniture, fittings and office equipment						
Book value not exceeding Rs. 50,000 each	2,209,789	1,802,739	407,050	573,033	Various	Various
	2,209,789	1,802,739	407,050	573,033		
Vehicles						
	1,800,000	1,170,000	630,000	890,474	Company policy	Mr. Amjad Iqbal, Employee
	1,477,500	487,575	989,925	1,192,978	Company policy	Mr. Tahir Ali Shah, Employee
	1,419,000	425,700	993,300	1,188,390	Company policy	Mr. Khawar Sultan, Employee
	1,323,000	716,625	606,375	1,032,100	Company policy	Mr. Jawaid Akhtar, Employee
	990,000	346,500	643,500	784,698	Company policy	Mr. M. Naveed Siddiqui, Employee
	970,000	375,875	594,125	805,263	Company policy	Mr. Asrar ul Hassan Alvi, Employee
	938,000	593,578	344,422	689,453	Company policy	Mr. Shujaat Ali Shah, Employee
	916,000	553,894	362,106	719,805	Company policy	Mr. Latafat Anwar, Employee
	868,000	585,900	282,100	497,939	Company policy	Mr. Nadeem Amir Ali, Employee
	868,000	585,900	282,100	449,300	Company policy	Mr. Shahzad Rana Younus, Employee
	819,000	518,700	300,300	407,962	Company policy	Mr. Adnan Ishaq, Employee
	819,000	627,900	191,100	413,962	Company policy	Mr. Sameer Mir, Employee
	801,000	643,825	157,175	157,175	Company policy	Ms. Nosheen Iqbal, Employee
	715,000	482,625	232,375	366,500	Company policy	Mr. Muhammad Tahir Abdullah, Employee
	709,000	567,200	141,800	146,790	Company policy	Mr. Sajid Pervaiz Cheema, Employee
	707,000	483,075	223,925	377,100	Company policy	Mr. Syed Amjad Ali, Employee
	612,000	237,150	374,850	504,989	Company policy	Mr. Muhammad Anwar, Employee
	625,000	211,979	413,021	565,000	Insurance claim	EFU Insurance Company Limited
	379,000	208,450	170,550	245,000	Insurance claim	New Jubilee Insurance Company
	1,494,500	463,295	1,031,205	1,100,000	Negotiation	Mr. Ahmed Khan Joyea
	970,000	424,375	545,625	755,000	Negotiation	Mr. Ali Hassan Malik
	965,000	422,188	542,812	790,000	Negotiation	Mr. Zaheer Abbas Malik
	880,500	484,275	396,225	855,000	Negotiation	Mr. Humayun Habib
	658,000	264,942	393,058	540,006	Negotiation	Mr. Abdul Sattar
Book value not exceeding Rs. 50,000 each	3,113,151	2,892,974	220,177	173,512	Various	Various
	25,836,651	14,774,500	11,062,151	15,648,396		
Computers and accessories						
Book value not exceeding Rs. 50,000 each	938,998	928,196	10,802	51,502	Various	Various
	938,998	928,196	10,802	51,502		
	48,093,429	32,722,627	15,370,802	19,097,931		

Notes to the Financial Statements

For the year ended June 30, 2015

4.2 Fixed assets - on operating lease

Description	2015							
	Cost			Accumulated depreciation			Net book value	
	As at July 1, 2014	Additions / (disposals)	As at June 30, 2015	As at July 1, 2014	Charge for the year / (on disposal)	As at June 30 2015	As at June 30 2015	Rate
	Rupees							
Generators	1,596,827,532	121,080,472 (38,279,792)	1,679,628,212	473,602,148	147,570,650 (32,380,509)	588,792,289	1,090,835,923	number of hours
Generator Accessories	123,081,558	200,000 (287,564)	122,993,994	67,489,455	13,514,323 (287,564)	80,716,214	42,277,780	10% - 50%
Communication equipment	391,589,921	18,683,834	410,273,755	344,204,999	18,239,173	362,444,172	47,829,583	15% - 33%
Vehicles	8,283,000	- (695,500)	7,587,500	2,619,726	1,633,416 (336,158)	3,916,984	3,670,516	33%
	2,119,782,011	139,964,306 (39,262,856)	2,220,483,461	887,916,328	180,957,562 (33,004,231)	1,035,869,659	1,184,613,802	

Description	2014							
	Cost			Accumulated depreciation			Net book value	
	As at July 1, 2013	Additions / (disposals) / transfer	As at June 30, 2014	As at July 1, 2013	Charge for the year / (on disposal)	As at June 30 2014	As at June 30 2014	Rate
	Rupees							
Generators	1,360,649,903	280,400,000 21,000,000* (65,222,371)	1,596,827,532	405,684,735	111,708,728 -	473,602,148	1,123,225,384	number of hours
Generator Accessories	87,641,191	37,932,257 (2,491,890)	123,081,558	58,117,814	11,261,902 (1,890,261)	67,489,455	55,592,103	10% - 50%
Communication equipment	444,690,694	32,399,230 (85,500,003)	391,589,921	411,750,961	17,844,791 (85,390,753)	344,204,999	47,384,922	15% - 33%
Vehicles	6,843,000	1,440,000	8,283,000	856,874	1,762,852	2,619,726	5,663,274	33%
	1,899,824,788	352,171,487 21,000,000* (153,214,264)	2,119,782,011	876,410,384	142,578,273 (131,072,329)	887,916,328	1,231,865,683	

* Represents assets transferred to operating lease assets from finance lease.

4.2.1 During the year the management of the Company has revised its estimate of the useful life of gas generators and pattern of recording depreciation for generators on operating lease. The initial life of gas generators has been reduced from 37,500 hours to 35,000 hours and depreciation on gas generators is being calculated on actual hours instead of fixed hours. The revisions in estimates have been made after taking into account the occurrences of top overhaul of the gas generators and pattern of usage of gas generators. The revision has been accounted for as a change in accounting estimates as defined in International Accounting Standard 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'. Had these revisions not been made, depreciation expense included in 'Direct cost of lease' would have been lower by Rs. 15.19 million and consequently profit before tax would have been higher by the same amount.

Notes to the Financial Statements

For the year ended June 30, 2015

4.2.2 Details of fixed assets - on operating lease, disposed during the year are as follows:

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of buyers
Generators	22,597,267	18,092,726	4,504,541	11,000,000	Negotiation	Orient Textile Mills Limited
	8,059,361	8,059,361	-	3,481,323	Negotiation	G & Co industrial engineering and services (Pvt) Ltd
	6,825,728	5,617,167	1,208,561	6,400,000	Negotiation	Procter & Gamble Pakistan Limited
	1,085,000	898,819	186,181	468,677	Negotiation	G & Co industrial engineering and services (Pvt) Ltd
	38,567,356	32,668,073	5,899,283	21,350,000		
Vehicles	695,500	336,158	359,342	556,400	Insurance Claim	EFU Insurance
	695,500	336,158	359,342	556,400		
	39,262,856	33,004,231	6,258,625	21,906,400		

4.2.3 Included in cost of fixed assets - operating lease are fully depreciated items which are still in use aggregating to Rs. 400.67 million (2014: Rs. 356.65 million).

4.3 Fixed assets - Ijarah finance

Description	2015							
	Cost			Accumulated depreciation			Net book value	
	As at July 1, 2014	Additions / (disposals)	As at June 30, 2014	As at July 1, 2014	Charge for the year / (on disposals)	As at June 30, 2015	As at June 30, 2015	Rate
Machinery & Generators	122,252,000	99,094,000 (16,838,000)	204,508,000	34,882,567	50,462,994 (16,838,000)	68,507,561	136,000,439	Underlying lease term
Vehicles	128,422,580	35,166,800 (49,701,740)	113,887,640	69,776,518	40,832,090 (45,791,935)	64,816,673	49,070,967	Underlying lease term
	250,674,580	134,260,800 (66,539,740)	318,395,640	104,659,085	91,295,084 (62,629,935)	133,324,234	185,071,406	

Description	2014							
	Cost			Accumulated depreciation			Net book value	
	As at July 1, 2013	Additions / (disposals)	As at June 30, 2014	As at July 1, 2013	Charge for the year / (on disposals)	As at June 30, 2014	As at June 30, 2014	Rate
Machinery & Generators	63,622,000	89,015,000 (30,385,000)	122,252,000	12,744,685	34,396,771 (12,258,889)	34,882,567	87,369,433	Underlying lease term
Vehicles	112,545,580	34,157,000 (18,280,000)	128,422,580	32,928,613	43,564,572 (6,716,667)	69,776,518	58,646,062	Underlying lease term
	176,167,580	123,172,000 (48,665,000)	250,674,580	45,673,298	77,961,343 (18,975,556)	104,659,085	146,015,495	

Notes to the Financial Statements

For the year ended June 30, 2015

5 INTANGIBLE ASSETS

	Note	2015	2014
		Rupees	
Trading Right Entitlement Certificate (TREC) - KSEL	5.1	–	15,000,000
Trading Right Entitlement Certificate (TREC) - LSEL	5.2	–	1,236,430
		–	16,236,430
Less: Impairment of TREC		–	16,236,430
Computer software and license	5.3	8,631,456	10,894,523
		8,631,456	10,894,523

5.1 During the current period, the Company has disposed off the Trading Rights Entitlement Certificate (TREC) - KSEL and 4,007,350 shares of Karachi Stock Exchange for an aggregate amount of Rs 43.5 million (refer note 13).

5.2 Lahore Stock Exchange (LSE) Trading right entitlement certificate (TREC) stands lapsed after expiry of two years from demutualisation of LSE as notified by LSE vide its notice no. 709 dated February 1, 2013. Accordingly, the balance has been written off against provision thereof in the current year.

5.3 Computer software and license

Description	2015							
	Cost			Accumulated amortization			Net book value	
	As at July 1, 2014	Additions	As at June 30, 2015	As at July 1, 2014	Charge for the year	As at June 30, 2015	As at June 30, 2015	Rate
	Rupees							
Computer software and license	83,830,580	2,471,260	86,301,840	72,936,057	4,734,327	77,670,384	8,631,456	36-80 months
	83,830,580	2,471,260	86,301,840	72,936,057	4,734,327	77,670,384	8,631,456	

Description	2014							
	Cost			Accumulated amortization			Net book value	
	As at July 1, 2013	Additions	As at June 30, 2014	As at July 1, 2013	Charge for the year	As at June 30, 2014	As at June 30, 2014	Rate
	Rupees							
Computer software and license	82,350,780	1,479,800	83,830,580	64,898,185	8,037,872	72,936,057	10,894,523	36-80 months
	82,350,780	1,479,800	83,830,580	64,898,185	8,037,872	72,936,057	10,894,523	

5.4 The amortisation expense for the year has been allocated as follows:

	Note	2015	2014
		Rupees	
Administrative and general expenses	36	1,427,300	4,273,192
Direct cost of leases	37	3,307,027	3,764,680
		4,734,327	8,037,872

Notes to the Financial Statements

For the year ended June 30, 2015

6 NET INVESTMENT IN FINANCE LEASE

	Note	2015	2014
		Rupees	
Installment contract receivables		17,062,648,835	14,737,639,373
Residual value		6,808,120,022	5,871,678,313
Initial direct costs		–	2,170,847
	6.1	23,870,768,857	20,611,488,533
Less: Unearned finance income		3,046,820,480	2,836,823,547
		20,823,948,377	17,774,664,986

6.1 Details of investment in finance lease

	Gross investments in finance lease		Present value of investment in finance lease	
	2015	2014	2015	2014
Rupees				
Less than one year	9,228,479,570	9,228,479,570	8,746,722,525	7,679,925,643
One to five years	14,642,289,287	11,331,049,556	12,077,225,852	10,052,156,127
Over five years	–	51,959,407	–	42,583,216
	23,870,768,857	20,611,488,533	20,823,948,377	17,774,664,986

6.2 The Company's implicit rate of return on leases ranges between 11.25% and 25.00% (2014: 14.50% and 26.00%) per annum. These are secured against leased assets and security deposits generally upto 23.00% (2014: upto 23.00%) of the cost of leased assets.

6.3 Based on the NBFC Regulations, the aggregate net exposures in finance leases against which income suspension is required amounted to Rs. 673 million (2014: Rs. 759 million).

6.4 Lease rentals received during the year aggregate to Rs. 8,536 million (2014: Rs. 7,576 million).

7 INVESTMENT IN ASSOCIATED UNDERTAKINGS

	Note	2015	2014
		Rupees	
Related parties			
Investment in equity accounted undertakings	7.1	2,176,352,899	1,701,150,417

Notes to the Financial Statements

For the year ended June 30, 2015

7.1 The breakup of carrying value of investments in equity accounted undertakings is as follows:

2015		2014		Note	2015		2014	
Number of shares					Rupees			
Quoted								
Oman ORIX Leasing Company SAOG								
28,099,946	27,281,501			7.1.2	1,077,858,593		892,968,834	
					1,077,858,593		892,968,834	
Unquoted								
1,375,000	850,000				516,256,056		376,243,669	
90,000	45,000				300,191,268		166,184,980	
920,000	920,000				282,046,982		257,152,943	
8,750	8,750			7.1.6	16,443,654		25,043,645	
					16,443,654		16,443,654	
							8,599,991	
					1,098,494,306		808,181,583	
					2,176,352,899		1,701,150,417	

7.1.1 Oman ORIX Leasing Company SAOG, Saudi ORIX Leasing Company, Al Hail ORIX Finance PSC and ORIX Leasing Egypt SAE are accounted for as equity accounted undertakings due to the significant influence of the Company.

7.1.2 Market value of quoted investment in equity accounted undertaking is as follows:

	2015	2014
	Rupees	
Oman ORIX Leasing Company SAOG	1,114,541,211	1,027,765,026

7.1.3 Includes 1,374 shares at Riyal Omani (R.O) 0.1/- each (2014: 1,333 shares at (R.O) 0.1/- each) held in the name of a Director in the investee Company. The aggregate carrying value of these shares is Rs. 0.053 million (2014: Rs. 0.044 million).

7.1.4 Summarised un-audited financial statements of equity accounted undertakings are as follows:

Name	Date of financial year end	As at June 30, 2015		For the period July 1, 2014 to June 30, 2015		Interest held
		Total assets	Total liabilities	Revenues	Profit/(loss)	
2015						
Quoted						
Oman ORIX Leasing Company SAOG	31 December	40,130,525,041	31,492,870,273	3,987,784,015	1,340,752,555	11.64%
Unquoted						
Saudi ORIX Leasing Company	31 December	60,883,891,714	39,972,094,757	6,931,796,948	3,160,819,805	2.50%
Al Hail ORIX Finance PSC	31 December	33,565,970,531	23,631,148,871	3,005,421,538	785,801,133	3.00%
ORIX Leasing Egypt SAE	31 December	8,387,175,455	7,160,837,868	1,016,328,968	150,616,994	23.00%

Notes to the Financial Statements

For the year ended June 30, 2015

Name	Date of financial year end	As at June 30, 2014		For the period July 1, 2013 to June 30, 2014		Interest held
		Total assets	Total liabilities	Revenues	Profit/(loss)	
2014						
Rupees						
Quoted						
Oman ORIX Leasing Company SAOG	31 December	33,542,565,549	25,873,622,120	3,309,412,451	1,066,460,160	11.64%
Unquoted						
Saudi ORIX Leasing Company	31 December	54,012,527,205	38,719,324,534	6,396,620,228	3,037,213,007	2.50%
Al Hail ORIX Finance PSC	31 December	22,478,048,704	16,941,327,253	2,181,629,046	850,728,472	3.00%
ORIX Leasing Egypt SAE	31 December	7,634,541,937	6,516,680,737	974,432,528	85,103,829	23.00%

7.1.5 The Company has board representation in all associated companies. It also provides them technical assistance.

7.1.6 The Company has suspended recognising share of profit on their investment in SK Leasing JSC under equity accounting and has recognised impairment loss due to significant impediments in repatriation of capital / investment.

8 LONG TERM INVESTMENTS

	Note	2015	2014
Rupees			
Held-to-maturity investments			
Pakistan investment bonds (PIBs)	8.1	14,404,648	13,906,241
Term finance certificates (TFCs)			
- Unlisted	8.2	3,265,627	3,265,627
		17,670,275	17,171,868
Less: Provision for potential losses on investments	38.2	3,265,627	3,265,627
		14,404,648	13,906,241

8.1 This investment has been made as required under Regulation 14(4)(i) of the Non Banking Finance Companies and Notified Entities Regulations, 2008 to maintain liquidity against certificates of deposit. This is redeemable within a period of 3 years (2014: 4 years) from the balance sheet date, carrying coupon rate of 9.60% (2014: 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 the Financial Statements

For the year ended June 30, 2015

9 LONG TERM FINANCES AND LOANS

	Note	2015	2014
		Rupees	
Considered good			
Related parties - secured			
Executives	9.1 & 9.3	56,639,852	60,297,919
Others			
Agri finance - secured	9.2	17,065,065	26,105,139
Employees - secured	9.3	42,859,039	39,408,537
Micro finance	9.4	20,791,813	13,806,662
Musharakah finance - secured	9.5	50,935,714	53,633,223
Term finance - secured	9.6	26,250,003	25,059,101
Vehicle finance - secured	9.7	1,884,094,058	1,752,796,516
		2,041,995,692	1,910,809,178
		2,098,635,544	1,971,107,097
Considered doubtful			
Others			
Agri finance - secured	9.2	16,218,817	13,786,368
Micro finance	9.4	395,283	473,357
Term finance - secured	9.6	195,008,867	200,722,729
Vehicle finance - secured	9.7	38,641,500	11,452,306
		250,264,467	226,434,760
Less: Allowance for potential loan losses	38.1	250,264,467	226,434,760
		-	-
Less: Current maturity			
Related parties		22,082,909	21,958,183
Others		1,197,296,263	1,207,942,889
	12	1,219,379,172	1,229,901,072
		879,256,372	741,206,025
9.1 Reconciliation of outstanding amount of loans to Executives			
Opening balance		60,297,919	59,996,481
Disbursements		7,093,360	11,352,982
Repayments		(10,751,427)	(11,051,544)
		56,639,852	60,297,919

9.2 This represents long term finance offered to farmers on mark-up basis. The rate of return on these loans ranges between 15.00% and 28.00% (2014: 15.00% and 28.00%) per annum. These loans are repayable within a period of 1 year to 3 years (2014: 1 year to 3 years) and are secured against title documents of immovable property and hypothecation of personal assets.

9.3 This includes housing loans given in accordance with the terms of the Company's employment policy and are repayable within a period of 20 years or retirement date whichever is the earlier. Housing loans are secured against equitable mortgage on the property by deposit of title documents of the property with the Company and carry mark-up at 5.00% (2014: 5.00%) per annum. Loans to Executives and other employees (other than housing loan) carry mark-up rates upto 15.00% (2014: upto 15.00%) per annum, secured against their retirement benefits and are repayable within a period of five years.

Maximum amount outstanding at the end of any month during the year against loans to Executives was Rs. 66.90 million (2014: Rs. 66.38 million).

Notes to the Financial Statements

For the year ended June 30, 2015

- 9.4** This represents long term micro loans offered to individuals and women entrepreneurs on mark-up basis. The rate of return on these loans ranges between 28.00% and 36.00% (2014: 32.00% and 36.00%) per annum. These are secured against personal guarantees of community organisations and are repayable within a period of 1.5 years (2014: 1.5 years).
- 9.5** This represents musharakah facilities provided to customers. The rate of return on these finances ranges between 12.20% and 21.00% (2014: 14.60% and 22.00%) per annum. The facilities have a repayment term of 3 to 4 years (2014: 3 to 4 years) and are secured by assets subject to musharakah agreement.
- 9.6** This represents term finance facility provided to customers on mark-up basis. The mark-up on these finances ranges between 15.00% and 20.00% (2014: 15.00% and 20.00%) per annum. These finances are repayable within a period of 2 years to 5 years (2014: 2 years to 5 years) and are secured against charge over fixed assets, trade receivables, lien on certificates of investment, personal guarantees of directors and hypothecation of stocks.
- 9.7** This represents vehicle financing facility provided to customers on markup basis. The mark-up on these finances ranges between 11.38% and 25.00% (2014: 14.70% and 25.00%) per annum. These finances are repayable within a period of 2 years to 5 years (2014: 2 years to 5 years) and are secured against charge over vehicles and personal guarantees of individuals.

10 SHORT TERM FINANCES

	Note	2015	2014
		Rupees	
Considered good			
Agri finance - secured	10.1	4,956,966	1,177,330
Micro finance	10.2	365,578,117	286,671,503
Term finance - secured	10.3	36,830,238	19,828,098
		407,365,321	307,676,931
Considered doubtful			
Agri finance - secured		9,116,074	13,809,974
Factoring finance		–	9,925,107
Micro finance		3,988,639	3,868,392
Term finance - secured		123,707,326	125,032,257
		136,812,039	152,635,730
Less: Allowance for potential losses	38.1	136,812,039	152,635,730
		–	–
		407,365,321	307,676,931

- 10.1** This represents short term finance offered to farmers on mark-up basis. The mark-up on these loans ranges between 17.00% and 28.00% (2014: 13.00% and 28.00%) per annum. These are secured against title documents of immovable property and hypothecation of personal assets and are recoverable within twelve months.
- 10.2** This represents short term micro loans offered to individuals and women entrepreneurs on mark-up basis. The mark-up on these loans ranges between 20.00% and 38.00% (2014: 21.00% and 38.00%) per annum. These are secured against personal guarantees of community organisations and are recoverable within twelve months.
- 10.3** This represents term finance facilities provided to customers on mark-up basis in the normal course of business. The mark-up on these finances ranges between 10.50% and 18.00% (2014: 13.50% and 18.00%) per annum. These finances are recoverable between one and twelve months and are secured against charge over fixed assets, trade receivables, hypothecation of stocks and lien over certificates of deposit.

Notes to the Financial Statements

For the year ended June 30, 2015

11 ACCRUED RETURN ON INVESTMENTS AND TERM FINANCE

	Note	2015	2014
		Rupees	
Investments		30,280,365	28,584,109
Term finance and loans		44,503,334	39,482,520
		74,783,699	68,066,629

12 CURRENT MATURITY OF NON-CURRENT ASSETS

Current maturity of:

Net investment in finance lease	6.1	8,746,722,525	7,679,925,643
Long term finances and loans	9	1,219,379,172	1,229,901,072
		9,966,101,697	8,909,826,715

13 SHORT TERM INVESTMENTS

Held-to-maturity investments

Certificates of deposit	13.1	708,602	2,135,606
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At fair value through profit and loss

Treasury bills	13.2	463,531,798	392,145,186
Term finance certificates (TFCs)	13.3	18,992,047	29,150,837
Units of open ended mutual funds		–	22,951,280
Units of closed end mutual funds		–	31,481,769
		482,523,845	475,729,072

Available-for-sale

Pakistan investment bonds (PIBs)	13.4	616,133,538	546,092,416
Ordinary shares	5.1 & 13.5 & 13.6	15,285,526	56,661,084
Units of open ended mutual funds		–	16,248,870
Units of closed end mutual funds		–	704,419
		631,419,064	619,706,789

Loans and receivables

Fund placements	13.7	334,183	1,007,179
Less: Allowance for potential losses	38.2	9,043,312	10,642,785
		1,105,942,382	1,087,935,861

13.1 These represent investments in short term certificates of deposit for a period of 1 year (2014: 1 year). Full provision has been made against these investments.

13.2 These represent investments made as required under Regulation 14(4)(i) of the NBFC Regulations to maintain liquidity against certificates of deposit. These are redeemable within a period of 12 months (2014: 12 months) from the balance sheet date. These carry yields ranging from 6.73% to 8.33% (2014: 9.99%)

13.3 These represent investments made by the Company in Term Finance Certificates (TFCs). These investments carry mark-up upto 6 months KIBOR + 2.4% (2014: upto 6 month KIBOR + 2.4%).

13.4 This represent investments made as required under Regulation 14(4)(i) 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 yield ranging from 8.90% to 11.97% (2014: 11.80% to 11.96%).

Notes to the Financial Statements

For the year ended June 30, 2015

13.5 These include shares of Lahore Stock Exchange Limited (LSEL) received by the Company in pursuance of Stock Exchanges (Corporatisation, Demutualisation and Integration) Act, 2012 (The Act). The total number of shares received by the Company are 843,975 with a face value of Rs. 10 each. These include 506,385 (60% shares) which are required to be held in separate Central Depository Company (CDC) blocked account to restrict the sale of these shares by the members, whereas, stock exchanges will dispose of these shares under the Act. However, the proceeds of these shares and right to dividend / bonus is vested with members while the voting rights attached to these shares are suspended.

In the absence of an active market, these shares have been carried at their face value of Rs. 10 each.

13.6 This includes shares of Burj Bank Limited against which impairment loss of Rs 3.1 million (2014: Nil) has been recognised.

13.7 This represents placements of Rs. 0.3 million (2014: Rs. 1.0 million) against which full provision has been made.

14 ADVANCES AND PREPAYMENTS

	Note	2015	2014
		Rupees	
Advances - unsecured		20,199,538	28,667,408
Prepayments			
Insurance			
- leased assets		2,561,808	3,063,007
- own assets		266,944	1,100,026
Rent		10,431,361	6,554,299
Others		13,526,619	8,374,042
		26,786,732	19,091,374
		46,986,270	47,758,782
15 OTHER RECEIVABLES			
Considered good			
Operating lease rentals receivable		56,189,345	73,701,268
Fair value of hedging instrument		15,539,862	51,722,892
Others		2,783,836	2,219,064
		74,513,043	127,643,224
Considered doubtful			
Operating lease rentals receivable		33,824,885	7,574,294
Receivable from equity brokerage customers		39,438,514	47,142,607
Others		4,041,668	–
		77,305,067	54,716,901
Less: Allowance for potential losses	38.2	77,305,067	50,433,253
		74,513,043	131,926,872
16 CASH AND BANK BALANCES			
Cash in hand		1,321,720	1,356,482
With banks on:			
- Current accounts		124,759,908	40,690,330
- Deposit accounts	16.1	47,204,724	58,437,010
		171,964,632	99,127,340
		173,286,352	100,483,822

16.1 These carry markup rates ranging from 3.00 % to 5.50 %. (2014: 6.25% to 8.00%).

Notes to the Financial Statements

For the year ended June 30, 2015

17 ASSETS CLASSIFIED AS HELD FOR SALE

	Note	2015	2014
		Rupees	
Reposessed assets	17.1	3,547,810	1,241,089
Investment in associated undertaking	17.2	87,754,399	87,754,399
		91,302,209	88,995,488

17.1 This represents reposessed leased assets consisting of vehicles, machinery and other equipment, previously leased out to customers. The Company intends to dispose of these assets to recover the balance amount outstanding against such leases.

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

18 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	2015	2014		2015	2014
	Number of shares			Rupees	
			Ordinary shares of Rs. 10/- each		
	49,355,892	49,355,892	Fully paid in cash	493,558,920	493,558,920
	30,544,364	30,544,364	Fully paid bonus shares	305,443,640	305,443,640
	2,152,674	2,152,674	Fully paid shares against amalgamation	21,526,740	21,526,740
	82,052,930	82,052,930		820,529,300	820,529,300

18.1 As at June 30, 2015, ORIX Corporation, Japan and its nominees held 40,693,564 (2014: 40,693,564) ordinary shares equivalent to 49.59% (2014 : 49.59%) of the total shareholding.

19 SURPLUS ON REVALUATION OF LEASEHOLD LAND AND OFFICE BUILDING

	Note	2015	2014
		Rupees	
Opening balance		124,783,252	127,810,638
Adjustment in respect of incremental depreciation transferred to retained earnings		(3,027,384)	(3,027,386)
		121,755,868	124,783,252
Opening balance of deferred tax liability		(43,674,136)	(44,733,721)
Adjustment on transfer of incremental depreciation to retained earnings		1,059,587	1,059,585
Adjustment for reversal of deferred tax liability on surplus on revaluation of leasehold land	19.1	32,867,689	—
	24	(9,746,860)	(43,674,136)
		112,009,008	81,109,116

19.1 The Company had recognised deferred tax liability on surplus arising on revaluation of land based on the view that gain arising on ultimate sale of land will be a taxable event. During the current year, based on professional tax advice, the management has concluded that sale of land by the Company will not attract tax consequences under the local laws. Accordingly, the related deferred tax liability has been reversed.

Notes to the Financial Statements

For the year ended June 30, 2015

20 LONG TERM FINANCES - secured

	Note	2015	2014
		Rupees	
Long term finances utilised under mark-up arrangements - financial institutions	20.1 & 20.2	8,033,455,235	5,788,433,398
		8,033,455,235	5,788,433,398
Less: Unamortised transaction cost		31,503,031	11,853,207
Less: Current maturity	30	3,294,389,094	2,629,978,162
		3,325,892,125	2,641,831,369
		4,707,563,110	3,146,602,029

20.1 These finances have been obtained for financing of lease operations and are secured by hypothecation of leased assets, related lease receivables and operating lease assets. The mark-up rate thereon ranges between 7.91% to 12.23% (2014: 11.15% to 14.10%) per annum. These finances are repayable within a period of 18 to 60 months (2014: 18 to 60 months).

20.2 This includes an amount of Rs. 1,000 million outstanding from a bank which has been hedged by an interest rate swap under a cash flow hedge accounting model.

21 LONG TERM LOANS

Name of lending institution	Note	Commencement of repayment	Mode of loan Repayment	Rate %	2015	2014
					Rupees	
Secured						
Citibank Japan Limited, Syndicated loan		Jan 31, 2008	14 equal semi annual instalments	US\$ six month LIBOR+0.675%	-	352,678,586
Pakistan Poverty Alleviation Fund (PPAF)	21.1	Jun 28, 2013	11 quarterly instalments	KIBOR+1.50%	120,299,248	241,363,500
Unsecured						
ECO Trade & Development Bank	21.2	Jan 7, 2013	7 equal semi annual instalments	US\$ six month LIBOR+1.50%	290,571,518	564,285,800
Total long term loans					410,870,766	1,158,327,886
Less: Unamortised transaction cost					-	1,836,122
Less: Current maturity	30				410,870,766	876,184,966
					-	280,306,798

21.1 Loans from PPAF have been obtained to finance small scale and micro enterprises. These loans are secured against hypothecation of book debts and receivables created out of PPAF financing.

21.2 This is a foreign currency facility of US\$ 10 million and is hedged by a cross currency swap and interest rate swap with a financial institution.

Notes to the Financial Statements

For the year ended June 30, 2015

22 LONG TERM CERTIFICATES OF DEPOSIT - unsecured

	Note	2015	2014
		Rupees	
Certificates of deposit	22.1	6,038,910,491	5,292,933,903
Less: Current maturity	30	921,967,140	1,645,516,348
		5,116,943,351	3,647,417,555

22.1 These represent long term certificates of deposit, issued at expected rates of profit ranging between 7.13% and 15.50% (2014: 10.00% and 15.50%) per annum. These certificates of deposit have been issued for terms ranging between 2 years and 10 years (2014: 2 years and 10 years).

23 LONG TERM DEPOSITS

	Note	2015	2014
		Rupees	
Security deposit on finance lease	23.1	6,804,332,299	5,863,317,444
Less: Repayable / adjustable within 12 months	30	1,566,589,081	1,380,024,359
		5,237,743,218	4,483,293,085
Others		1,025,000	1,025,000
		5,238,768,218	4,484,318,085

23.1 These represent deposits received from lessees under finance lease contracts, adjustable at the expiry of the lease periods.

24 DEFERRED TAXATION

	Note	2015	2014
		Rupees	
The deferred tax liability is attributable to the following items:			
- Accelerated tax depreciation		948,250,235	1,111,784,038
- Surplus on revaluation of office building	19	9,746,860	43,674,136
- Unamortised transaction costs relating to long term finances and loans		11,026,049	4,791,265
- Unrealised gain on investment		11,418,181	158,389
- Share of profit of associates		355,782,300	258,755,243
- Allowance for potential loan losses		(173,686,925)	(149,690,844)
- Tax losses		(708,821,434)	(838,231,082)
- Capital loss		-	(36,102,094)
		453,715,266	395,139,051

25 OTHER LONG TERM LIABILITIES

	Note	2015	2014
		Rupees	
Profit on certificates of deposit	25.1	268,234,514	247,588,070

25.1 This represent profit on Certificates of Deposit payable on maturity.

Notes to the Financial Statements

For the year ended June 30, 2015

26 TRADE AND OTHER PAYABLES

	Note	2015	2014
		Rupees	
Creditors		374,980,738	276,352,506
Accrued liabilities		97,121,041	76,621,845
Other liabilities			
Advances from customers against finance lease and Ijarah finance		42,286,202	36,214,766
Insurance payable		49,836,268	40,437,540
Unclaimed dividend		7,241,495	5,547,270
Grant from donors	26.1	-	1,295,498
Worker's Welfare Fund		42,720,352	33,500,000
Others		9,058,551	10,221,546
Fair value of hedging instrument		17,857,389	-
		169,000,257	127,216,620
		641,102,036	480,190,971

26.1 This grant was received from Pakistan Poverty Alleviation Fund (PPAF) as assistance towards expenses incurred in developing and sustaining the micro finance program.

	2015	2014
		Rupees
Opening balance	1,295,498	1,295,498
Amount charged during the year	(1,295,498)	-
Closing balance	-	1,295,498

27 ACCRUED INTEREST / MARK-UP ON LOANS, FINANCES AND CERTIFICATES OF DEPOSIT

	2015	2014
		Rupees
Interest / mark-up / profit on		
Long term finances	152,380,390	141,967,047
Long term loans	19,973,394	49,400,083
Short term borrowings	13,959,012	14,241,877
Certificates of deposit	132,663,877	248,120,347
	318,976,673	453,729,354

28 SHORT TERM BORROWINGS

	Note	2015	2014
		Rupees	
From Banking Companies			
Running finance arrangements - secured	28.1	884,301,394	694,635,094
Short term loans - secured	28.2	-	-
		884,301,394	694,635,094

28.1 The short term running finance facilities available from commercial banks amounted to Rs. 1,825 million at June 30, 2015 (2014: Rs. 1,625 million). The rate of mark-up ranges between 7.56% and 9.50% (2014: 11.14% and 11.67%) on a daily product basis. These are secured by hypothecation of leased assets and related lease receivables.

Notes to the Financial Statements

For the year ended June 30, 2015

28.2 Short term loan facilities totalling Rs. 1,750 million (2014: Rs. 1,000 million) from financial institutions are also available to the Company for the period of 3 months on roll-over basis upto one year and carry mark-up rates ranging between KIBOR + 0.5% to KIBOR + 1.25% (2014: KIBOR + 1.25%). Out of the above, facilities amounting to Rs. 1,250 million are secured by hypothecation of specific lease-assets and related receivables.

29 SHORT TERM CERTIFICATES OF DEPOSIT - unsecured

	Note	2015	2014
		Rupees	
Unsecured	29.1	944,348,226	1,019,234,608

29.1 These represent short term certificates of deposit issued at expected rates of profit, ranging between 6.78% and 9.63% (2014: 8.5% and 11.39%) per annum for terms of 1 to 12 months (2014: 1 to 12 months).

30 CURRENT MATURITY OF NON-CURRENT LIABILITIES

	Note	2015	2014
		Rupees	
Current maturity of:			
Long term finances	20	3,294,389,094	2,629,978,162
Long term loans	21	410,870,766	876,184,966
Long term certificates of deposit	22	921,967,140	1,645,516,348
Long term deposits	23	1,566,589,081	1,380,024,359
		6,193,816,081	6,531,703,835

31 CONTINGENCIES AND COMMITMENTS

31.1 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 the Company has filed a suit before the Honorable High Court of Sindh challenging levy of FED on mark-up income. The Honorable High Court of Sindh has passed an order suspending the operation of the said notice until the next hearing and no hearing has taken place since then. 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.

31.2 The Additional Commissioner Inland Revenue (ACIR) passed an amended assessment order under section 122(5A) of the Income Tax Ordinance 2001(the Ordinance), dated July 25, 2013 for the tax year 2010 and created a demand of Rs. 313 million. The said Order has been subject to appeal process, rectification and revision. The Commissioner Inland Revenue (Appeals) (CIR-A) has decided most of the issues in favour of the Company. After taking the effects of decisions by (CIR-A) on the appeals the initial demand of Rs.313 million has been reduced to Rs.167 million.

The Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) on the issues which were decided against the Company by the CIR-A which is pending for adjudication.

Notes to the Financial Statements

For the year ended June 30, 2015

The Company has paid minimum tax of Rs. 45.48 million and Rs. 50.78 million for the tax years 2007 and 2008 respectively under section 113 of the Ordinance. These amounts have been recognised as current tax expense for the respective financial years. In the opinion of the Company it is entitled to carry forward the sum of the above minimum tax adjustment against the income tax demand for the tax year 2010.

Based on the merit of the case, management is confident that the decision will be in the Company's favor therefore no provision has been made in these financial statements.

31.3 Leasing and ijarah contracts committed but not executed at the balance sheet date amounted to Rs. 28 million (2014: Rs. 11 million).

32 INCOME FROM OPERATING LEASE

	2015	2014
	Rupees	
Communication Equipments	235,995,043	266,787,890
Generators and Vehicles	546,238,148	578,841,036
Islamic Finance	117,763,525	107,002,597
	899,996,716	952,631,523

33 OTHER INCOME - NET

	Note	2015	2014
		Rupees	
From financial assets			
Return on investments and deposits		4,911,906	13,493,052
Interest income on government securities		106,874,788	20,352,219
Dividend income		566,639	3,044,898
Capital gain on sale of investment		75,690,780	68,937,032
Unrealised gain on remeasurement of financial assets at fair value through profit and loss		5,424,860	5,770,291
Gain on fair value hedging instruments	33.1	10,904,427	22,238,542
Exchange (loss) on long term borrowings	33.2	(10,904,427)	(22,238,542)
		193,468,973	111,597,492
From assets other than financial assets			
Other fees and income		40,246,285	40,711,789
Exchange gain / (loss) on dividend received		3,622	(1,672,802)
Documentation fee		34,853,353	29,733,641
Gain on disposal of fixed assets		19,917,864	17,569,191
Gain on sale of leased assets		22,350,875	25,964,794
Other exchange (loss) / gain - net		(116,609)	341,464
		117,255,390	112,648,077
		310,724,363	224,245,569

33.1 This represents unrealised gains on cross currency swap transactions entered into with a commercial bank (note 21.2).

33.2 This represents loss on account of revaluation of long term foreign currency loans (note 21.2) which have been hedged by the Company through cross currency swaps.

Notes to the Financial Statements

For the year ended June 30, 2015

34 SHARE OF PROFIT OF EQUITY ACCOUNTED UNDERTAKINGS

Name of associates	Note	2015		2014	
		Associates profit after tax	Share of associates profit after tax	Associates profit/(loss) after tax	Share of associates profit/(loss) after tax
Rupees					
Quoted					
Oman ORIX Leasing Company SAOG		1,340,752,555	156,086,391	1,066,460,160	124,154,092
Un-Quoted					
Saudi ORIX Leasing Company		3,160,819,805	60,845,782	3,037,213,007	58,466,350
Al Hail ORIX Finance PSC		785,801,133	23,574,034	850,728,472	25,521,854
ORIX Leasing Egypt SAE		150,616,994	34,641,907	85,103,829	19,573,881
OPP (Private) Limited	17.2	–	–	(10,436,409)	(4,696,384)
		4,097,237,932	119,061,723	3,962,608,899	98,865,701
		5,437,990,487	275,148,114	5,029,069,059	223,019,793

35 FINANCE COST

	2015	2014
Rupees		
Interest / mark-up on		
- Long term finances	706,887,984	616,604,346
- Long term loans	55,131,461	144,186,940
- Short term borrowings	106,348,750	64,099,866
- Certificates of deposit	816,643,147	784,403,341
Amortisation of transaction costs	18,427,591	27,766,243
Bank charges and commission	24,249,819	21,318,404
	1,727,688,752	1,658,379,140

Notes to the Financial Statements

For the year ended June 30, 2015

36 ADMINISTRATIVE AND GENERAL EXPENSES

	Note	2015	2014
		Rupees	
Salaries, allowances, welfare and training	36.1	511,052,688	451,221,610
Rent and utilities		84,940,601	85,470,739
Travelling		14,672,043	11,258,432
Vehicle running and maintenance		40,909,538	42,630,135
Insurance on operating assets		9,217,057	8,283,105
Legal and professional charges		36,042,123	19,921,035
Communication		24,036,522	22,838,720
Subscriptions		2,344,208	1,994,505
Auditors' remuneration	36.3	2,010,250	1,836,000
Advertising		7,429,020	7,531,917
Printing and stationery		8,509,524	8,034,162
Depreciation	4.1	47,615,965	48,268,226
Amortisation	5.4	1,427,300	4,273,192
Office repairs and maintenance of equipment		28,354,007	30,626,229
Donations	36.4	5,041,300	4,134,870
Office general expenses		8,260,727	6,918,099
		831,862,873	755,240,976
36.1 Includes following employee benefits			
Defined benefit plan - gratuity fund	36.2.5	11,999,521	12,539,156
Defined contributory plan - provident fund		20,724,772	18,580,821
Compensated absences		7,334,193	6,400,014
		40,058,486	37,519,991

36.2 DEFINED BENEFIT PLAN - STAFF RETIREMENT GRATUITY

36.2.1 General description

The Company operates a funded gratuity scheme which was established under the provisions of the trust deed dated July 1, 2004 for its permanent staff who have completed the qualifying period under the scheme. The funded scheme is administered by the Board of Trustees in accordance with the provisions of the Trust Deed. Contributions therein are made in accordance with actuarial recommendations. The most recent valuation in this regard was carried out as at June 30, 2015, using the Projected Unit Credit Method for valuation of the scheme.

The disclosures made in notes 36.2.2 to 36.2.11 are based on the information included in the actuarial report of the Company as of June 30, 2015.

Notes to the Financial Statements

For the year ended June 30, 2015

36.2.2 The amounts recognised in the balance sheet are as follows:

	Note	2015		2014	
		Rupees		Rupees	
Present value of defined benefit obligation	36.2.4	161,024,331		135,189,600	
Fair value of plan assets	36.2.4	(160,175,134)		(131,270,153)	
		849,197		3,919,447	

36.2.3 Plan assets consist of the following:

	2015		2014	
	Rupees	%	Rupees	%
Government Securities	157,043,534	98.04%	116,187,388	88.51%
Debt Securities - Listed	-	0.00%	6,799,886	5.18%
Mutual Funds	-	0.00%	1,996,150	1.52%
Shares of listed companies	250,000	0.16%	250,000	0.19%
Term deposits and cash and bank balances	2,881,600	1.80%	6,036,729	4.60%
	160,175,134	100.00%	131,270,153	100.00%

36.2.4 The movement in the defined benefit obligation over the year is as follows:

	2015		
	Present value of obligation	Fair value of plan assets	Total
	Rupees		
At July 1	135,189,600	(131,270,153)	3,919,447
Current service cost	12,478,258	-	12,478,258
Interest expense / (income)	17,273,209	(17,751,946)	(478,737)
	164,941,067	(149,022,099)	15,918,968
Remeasurements:			
- Interest on plan assets, excluding amounts included in interest expense / (income)	-	(586,481)	(586,481)
- Experience losses	720,795	-	720,795
	720,795	(586,481)	134,314
	165,661,862	(149,608,580)	16,053,282
Contribution	-	(15,204,085)	(15,204,085)
Benefit payments	(4,637,531)	4,637,531	-
At June 30	161,024,331	(160,175,134)	849,197

Notes to the Financial Statements

For the year ended June 30, 2015

	2014		
	Present value of obligation	Fair value of plan assets	Total
Rupees			
At July 1 (Restated)	119,719,825	(90,634,056)	29,085,769
Current service cost	11,596,414	-	11,596,414
Interest expense / (income)	13,744,382	(12,801,640)	942,742
	145,060,621	(103,435,696)	41,624,925
Remeasurements:			
- Interest on plan assets, excluding amounts included in interest expense / (income)	-	4,258,092	4,258,092
- Experience losses	495,591	-	495,591
	495,591	4,258,092	4,753,683
	145,556,212	(99,177,604)	46,378,608
Contribution	-	(42,459,161)	(42,459,161)
Benefit payments	(10,366,612)	10,366,612	-
At June 30 (Restated)	135,189,600	(131,270,153)	3,919,447

36.2.5 Charge for defined benefit plan

	2015	2014
	Rupees	
Current service cost	12,478,258	11,596,414
Net return cost	(478,737)	942,742
	11,999,521	12,539,156

The plan assets and defined benefit obligations are based in Pakistan.

	2015	2014
	36.2.6 Principal actuarial assumptions	
- Discount rate	10.5%	13%
- Expected rate of increase in salary	10.5%	13%
- Expected rate of return on plan assets	10.5%	13%
- Average working life of employees	36.5 years	36 years

36.2.7 Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in Pakistan. The rates assumed are based on the SLIC 2001 - 2005 ultimate mortality tables.

Notes to the Financial Statements

For the year ended June 30, 2015

36.2.8 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	Rupees		
Discount rate	1.0%	143,691,753	180,065,372
Salary growth rate	1.0%	178,261,540	144,860,933
		Rupees	
		Increase by 1 year in assumption	Decrease by 1 year in assumption
		Rupees	
Life expectancy		160,974,518	160,675,992
		Rupees	
		Increase by 10% in assumption	Decrease by 10% in assumption
		Rupees	
Withdrawal rate		159,844,989	160,860,348

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the Balance Sheet.

36.2.9 The weighted average duration of the defined benefit obligation is 12.61 years.

36.2.10 Historical results

	2015	2014	2013	2012	2011
	Rupees				
Present value of defined benefit obligation	161,024,331	135,189,600	119,719,825	107,274,477	93,040,813
Fair value of plan assets	(160,175,134)	(131,270,153)	(90,634,056)	(88,283,364)	(98,896,827)
Deficit / (Surplus)	849,197	3,919,447	29,085,769	18,991,113	(5,856,014)
Remeasurements of plan liabilities	720,795	495,591	3,097,965	(2,629,553)	2,663,731
Remeasurements of plan assets	586,481	(4,258,092)	(7,467,483)	(24,560,759)	15,653,129

36.2.11 Funding levels are monitored on an annual basis and are based on actuarial recommendations. Contribution for the next year works out to Rs.12,488,958 as per the actuarial valuation report of the Company as of June 30, 2015.

Notes to the Financial Statements

For the year ended June 30, 2015

36.2.12 Through its defined benefit gratuity plan, the Fund is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility	The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The Fund believes that due to long-term nature of the plan liabilities and the strength of the Company's support, the current investment strategy manages this risk adequately.
Changes in bond yields	A decrease in corporate bond yields will increase plan liabilities.
Inflation risk	The majority of the plans' benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities. However, the Fund manages plan assets to off set inflationary impacts.
Life expectancy / Withdrawal rate	The majority of the plans' obligations are to provide benefits on severance with the Company or on achieving retirement. Any change in life expectancy / withdrawal rate would impact plan liabilities.

36.3 Auditors' remuneration

	2015	2014
	Rupees	
Annual audit fee	1,200,000	910,000
Fee for special certification including half yearly review fee	500,000	490,000
Tax and other services	110,250	286,000
Out of pocket expenses	200,000	150,000
	2,010,250	1,836,000

36.4 Directors or their spouse have no interest in any of the donees other than Marie Adelaide Leprosy Centre where a Director of the Company, Mr. Humayun Murad, is acting as a board member. The amount of donation made to the Centre is Rs. Nil (2014: Rs. 250,000).

37 DIRECT COST OF LEASE

	Note	2015	2014
		Rupees	
Court fee, stamp duty and others		11,134,318	8,102,541
Operating lease			
Maintenance and insurance		335,259,399	349,928,735
Depreciation - operating lease assets	4.2	180,957,562	142,578,273
Depreciation - ijarah finance	4.3	91,295,084	77,961,343
Amortisation of intangible assets	5.4	3,307,027	3,764,680
		610,819,072	574,233,031
		621,953,390	582,335,572

Notes to the Financial Statements

For the year ended June 30, 2015

38 ALLOWANCE FOR POTENTIAL LEASE AND OTHER LOAN LOSSES

	2015				
	Finance leases	Finance and loans	Sub total	Operating lease, investments and other receivables	Total
	Rupees				
Balance at beginning of the year	759,020,567	379,070,490	1,138,091,057	97,021,749	1,235,112,806
Provision made during the year - net	103,743,853	17,931,123	121,674,976	25,272,341	146,947,317
Write offs	(141,388,424)	(9,925,107)	(151,313,531)	(16,236,430)	(167,549,961)
	721,375,996	387,076,506	1,108,452,502	106,057,660	1,214,510,162

	2014				
	Finance leases	Finance and loans	Sub total	Operating lease, investments and other receivables	Total
	Rupees				
Balance at beginning of the year	766,942,528	428,803,193	1,195,745,721	63,592,675	1,259,338,396
Provision made during the year - net	112,802,621	24,077,597	136,880,218	33,429,074	170,309,292
Write offs	(120,724,582)	(73,810,300)	(194,534,882)	-	(194,534,882)
	759,020,567	379,070,490	1,138,091,057	97,021,749	1,235,112,806

38.1 Provision against finances and loans

	Note	2015	2014
		Rupees	
Long term finances and loans	9	250,264,467	226,434,760
Short term finances and loans	10	136,812,039	152,635,730
		387,076,506	379,070,490

38.2 Provision against other receivables, investments and intangible

	Note	2015	2014
		Rupees	
Trading Right Entitlement Certificate (TREC)	5	-	16,236,430
Impairment on equity accounted undertaking	7.1	16,443,654	16,443,654
Long term investments	8	3,265,627	3,265,627
Short term investments	13	9,043,312	10,642,785
Other receivables	15	77,305,067	50,433,253
		106,057,660	97,021,749

Notes to the Financial Statements

For the year ended June 30, 2015

39 OTHER PROVISIONS - NET

	2015	2014
	Rupees	
Operating lease, investments, other receivables and intangibles		
Provision for diminution in value of TREC	-	16,236,430
Provision for other receivables	26,871,814	1,253,363
(Reversal) for potential losses on investments - net	(1,599,473)	(504,373)
Impairment on equity accounted undertaking	-	16,443,654
	25,272,341	33,429,074
Impairment		
Impairment on available for sale securities	3,114,225	-
Others		
Provision for workers welfare fund	17,500,000	13,500,000
	45,886,566	46,929,074

40 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year in respect of the remuneration and benefits to the Chief Executive, Directors and Executives are as follows:

	2015		
	Chief Executive	Executive	Total
	Rupees		
Managerial remuneration and allowances	21,814,650	166,380,847	188,195,497
House rent and utilities	6,237,600	50,945,139	57,182,739
Retirement benefits	3,471,471	20,041,534	23,513,005
	31,523,721	237,367,520	268,891,241
Number of persons	1	95	96
	2014		
	Chief Executive	Executive	Total
	Rupees		
Managerial remuneration and allowances	18,237,000	136,849,267	155,086,267
House rent and utilities	5,268,000	43,474,680	48,742,680
Retirement benefits	2,383,981	17,972,841	20,356,822
	25,888,981	198,296,788	224,185,769
Number of persons	1	83	84

40.1 Executives mean employees, other than the Chief executive and Directors, whose basic salary exceeds five hundred thousand rupees in a financial year.

40.2 The Chief Executive and certain Executives are also provided with Company owned and maintained cars and other benefits in accordance with their entitlement as per Company policy.

40.3 Aggregate amount charged in these financial statements includes meeting fees paid to 4 non-executive directors amounting to Rs. 910,000 (2014: 3 non-executive Directors Rs. 425,000).

40.4 Aggregate amount charged in these financial statements includes fee paid to Chairman of the Board of Directors amounting to Rs. 1,200,000 (2014: Rs. 1,200,000). The Chairman is also provided with a Company owned car.

Notes to the Financial Statements

For the year ended June 30, 2015

41 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 into the above segment categories, are reported under "Investment in associates, loans and others".

Segment analysis for the year ended June 30, 2015

	Finance lease	Operating lease	Investment in associates, loans and others	Leasing business total	Micro finance	Investment financial services	Total
Rupees							
Segment revenues	2,261,355,111	899,996,716	584,105,209	3,745,457,036	126,263,718	62,101,228	3,933,821,982
Share of profit of equity accounted undertakings	-	-	275,148,114	275,148,114	-	-	275,148,114
Total segment revenue	2,261,355,111	899,996,716	859,253,323	4,020,605,150	126,263,718	62,101,228	4,208,970,096
Administrative and general expenses	273,273,275	75,457,934	1,817,966	350,549,175	50,899,751	2,506,839	403,955,765
Direct cost of leases	11,134,318	610,819,072	-	621,953,390	-	-	621,953,390
Allowance for potential lease, installment and other loan losses - net	103,743,853	-	20,744,339	124,488,192	42,173	(2,855,389)	121,674,976
Other Provisions - net	-	34,575,907	(1,427,004)	33,148,903	-	(7,876,562)	25,272,341
Impairment on available for sale securities	-	-	-	-	-	3,114,225	3,114,225
Segment result	1,873,203,665	179,143,803	838,118,022	2,890,465,490	75,321,794	67,212,115	3,032,999,399
Provision for workers welfare fund	-	-	-	(17,500,000)	-	-	(17,500,000)
Unallocated expenses	-	-	-	(427,907,108)	-	-	(427,907,108)
Result from operating activities	-	-	-	2,445,058,382	75,321,794	67,212,115	2,587,592,291
Finance cost	-	-	-	(1,685,127,877)	(35,235,639)	(7,325,236)	(1,727,688,752)
Provision for taxation	-	-	-	(189,000,000)	-	-	(189,000,000)
Profit for the year	-	-	-	570,930,505	40,086,155	59,886,879	670,903,539
Other information							
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
Total assets	-	-	-	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
Total liabilities	6,804,332,299	-	-	24,611,126,181	120,299,248	37,192,637	24,768,618,066
Capital expenditure	-	274,225,106	-	274,225,106	1,266,290	-	275,491,396
Depreciation	-	275,559,673	-	275,559,673	1,482,201	-	277,041,874
Unallocated Capital expenditure	-	-	-	63,774,833	-	-	63,774,833
Unallocated depreciation	-	-	-	47,561,064	-	-	47,561,064

Notes to the Financial Statements

For the year ended June 30, 2015

Segment analysis for the year ended June 30, 2014

	Finance lease	Operating lease	Investment in associates, loans and others	Leasing business total	Micro finance	Investment financial services	Total
Rupees							
Segment revenues	1,974,465,857	952,631,523	563,364,774	3,490,462,154	94,894,019	11,489,527	3,596,845,700
Share of profit of equity accounted undertakings	-	-	223,019,793	223,019,793	-	-	223,019,793
Total segment revenue	1,974,465,857	952,631,523	786,384,567	3,713,481,947	94,894,019	11,489,527	3,819,865,493
Administrative and general expenses	255,407,208	72,957,147	1,534,898	329,899,253	43,327,984	4,403,460	377,630,697
Direct cost of leases	8,102,541	574,233,031	-	582,335,572	-	-	582,335,572
Allowance for potential lease, installment and other loan losses - net	112,802,621	-	27,151,153	139,953,774	441,444	(3,515,000)	136,880,218
Other Provisions - net	-	-	15,312,065	15,312,065	-	18,117,009	33,429,074
Segment result	1,598,153,487	305,441,345	742,386,451	2,645,981,283	51,124,591	(7,515,942)	2,689,589,932
Provision for workers welfare fund				(13,500,000)	-	-	(13,500,000)
Unallocated expenses				(377,610,279)	-	-	(377,610,279)
Result from operating activities				2,254,871,004	51,124,591	(7,515,942)	2,298,479,653
Finance cost				(1,609,807,039)	(29,160,655)	(19,411,446)	(1,658,379,140)
Provision for taxation				(123,987,252)	-	-	(123,987,252)
Profit for the year				521,076,713	21,963,936	(26,927,388)	516,113,261
Other information							
Segment assets	17,015,644,419	1,386,715,716	2,944,578,283	21,346,938,418	300,478,165	139,469,682	21,786,886,265
Investment in equity accounted undertakings	-	-	1,701,150,417	1,701,150,417	-	-	1,701,150,417
Assets classified as held for sale	1,241,089	-	87,754,399	88,995,488	-	-	88,995,488
Unallocated assets				871,681,977	-	-	871,681,977
Total assets				24,008,766,300	300,478,165	139,469,682	24,448,714,147
Segment liabilities	5,863,317,444	-	-	5,863,317,444	241,363,500	139,469,682	6,244,150,626
Unallocated liabilities				15,140,634,271	-	-	15,140,634,271
Total liabilities				21,003,951,715	241,363,500	139,469,682	21,384,784,897
Capital expenditure	-	496,343,487	-	496,343,487	1,864,154	-	498,207,641
Depreciation	-	224,304,296	-	224,304,296	1,606,746	-	225,911,042
Unallocated Capital expenditure	-	-	-	41,294,355	-	-	41,294,355
Unallocated depreciation	-	-	-	50,934,672	-	-	50,934,672

Notes to the Financial Statements

For the year ended June 30, 2015

42 TRANSACTIONS WITH RELATED PARTIES

The Company has related party relationships with its parent Company, related group companies, associated companies, staff provident fund, staff gratuity fund, directors and key management personnel and entities over which the directors or key management personnel are able to exercise significant influence.

The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are disclosed in the relevant notes.

42.1 Terms and conditions of transactions with related parties

The transactions with the related parties are executed substantially on the same terms, as those prevailing at the time of comparable transactions with unrelated parties and do not involve more than a normal risk. Outstanding balances, if any, are disclosed in the respective notes. Other material transactions with related parties are given below:

	2015	2014
	Rupees	
ORIX Corporation, Japan		
Parent Company		
Dividend paid	142,421,437	89,522,046
Oman ORIX Leasing Company SAOG		
Associate / common directorship		
Dividend received	-	51,703,852
Received 818,445 bonus shares	-	-
Consultancy fee received	1,284,395	12,122,720
BOD attendance fee	5,803,534	3,204,351
Al Hail ORIX Finance PSC		
Associate / common directorship		
Purchase of right shares	125,955,000	-
Dividend received	20,691,764	34,460,969
Saudi ORIX Leasing Company		
Associate / common directorship		
Purchase of right shares	67,375,000	-
Received 275,000 bonus shares	-	-
Dividend received	190,023	1,360,290
Consultancy fee received	491,137	641,095
BOD attendance fee	5,143,795	3,706,476
OPP (Private) Limited		
Associate / common directorship		
Rent paid for serviced apartment	66,700	87,695

Notes to the Financial Statements

For the year ended June 30, 2015

	2015	2014
	Rupees	
SK Leasing JSC		
Associate / common directorship		
Dividend received	8,603,614	4,471,611
State life Insurance Corporation of Pakistan		
Common directorship		
Rent and premium payment	13,064,064	8,752,501
Sui Northern Gas Company Limited		
Common directorship		
Utilities bills payment	43,030	46,590
Related Parties		
Issuance of certificates of deposit	73,303,408	34,246,632**
Redemption of certificates of deposit	39,271,443	24,702,110**
Amount of profit paid	4,678,768	3,364,808**

**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.

	2015	2014
	Rupees	
ORIX Leasing Pakistan Limited - Employees Provident Fund (OLP-EPF)		
TFC principal repayment	-	6,480,000
TFC interest paid	-	474,173
Contribution made	20,831,889	18,584,154
ORIX Leasing Pakistan Limited - Staff Gratuity Fund (OLP-SGF)		
TFC principal repayment	-	3,280,000
TFC interest paid	-	240,013
Contribution made	15,204,085	42,459,161
Balances		
Certificates of deposit held - Related parties	71,978,619	37,946,654**
Accrued profit on certificates of deposit - Related parties	3,668,637	2,802,483**
Loan to key management personnel outstanding	37,469,419	33,187,833**
Defined benefit payable to ORIX Leasing Pakistan Limited - Staff Gratuity Fund	849,197	3,919,447

Notes to the Financial Statements

For the year ended June 30, 2015

42.2 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.

42.3 Internal Audit also provides certain Internal Audit Advisory services to the ORIX Group Companies.

42.4 Compensation of key management personnel

	2015	2014
	Rupees	
Short term employee benefits	120,148,590	99,947,749
Retirement benefits	12,617,166	10,608,256
Total compensation to key management personnel	132,765,756	110,556,005
Loan disbursement to key management personnel	9,774,286	7,764,919**
Interest paid by key management personnel	2,294,031	1,658,958**
Principal repaid by key management personnel	5,492,702	3,583,566**

**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.

43 TAXATION

	2015	2014
	Rupees	
Current tax charge for the year	97,603,913	71,494,165
Prior year taxation	8,396,087	-
Deferred	83,000,000	52,493,087
	189,000,000	123,987,252

43.1 Effective tax rate reconciliation

Numerical reconciliation between the average tax rate and the applicable tax rate has not been presented as provision for the current year income tax has been made under the provisions of Alternate Corporate Tax under Section 113C of the Income Tax Ordinance, 2001.

43.2 Current status of pending tax assessments

Tax Year 1999 to 2000

In the assessment year 1999-2000 the Officer Inland Revenue (O.I.R) had revised the income tax assessment order of the Company under Section 221 of the Ordinance. The Company had preferred an appeal against the order of the O.I.R before the Commissioner Inland Revenue [CIR(A)] who confirmed the treatment of the O.I.R. The Company then filed an appeal before the Appellate Tribunal Inland Revenue (ATIR). The ATIR while deciding the appeal filed by the Company, has remanded back the appellate order dated December 12, 2005 to the CIR(A) to pass speaking order after considering all the relevant facts of the case. The case is still pending for adjudication. However, as a matter of prudence, the Company has made adequate provision in respect of the disallowances.

Tax Year 2008 to 2014

Under Section 114 of the Income Tax Ordinance 2001, the Company has filed the returns of income for tax years 2008 to 2014. These returns were taken to be assessment orders passed by the Commissioner Inland Revenue on the day the returns were filed other than tax year 2010.

Notes to the Financial Statements

For the year ended June 30, 2015

Tax Year 2009-2010

Details of the assessment made by the Additional Commissioner Inland Revenue are provided in note 31.2.

- 43.3** The Finance Act, 2015 introduced income tax at the rate of 10% on undistributed reserves where such reserves of the Company are in excess of its paid up capital and the Company derives profits for a tax year but does not distribute requisite cash dividend within six months of the end of the said tax year. Liability in respect of such income tax, if any, is recognised when the prescribed time period for distribution of dividend expires. The Company intends to distribute cash dividend in excess of forty percent of its after tax profits (refer note 50.1) and accordingly no provision for tax on undistributed reserves have been made in these financial statements.

44 OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES

	Note	2015	2014
		Rupees	
Profit before taxation		859,903,539	640,100,513
Adjustments for			
Depreciation	4.1, 4.2 & 4.3	319,868,611	268,807,842
Amortisation	5.3	4,734,327	8,037,872
Amortisation of transaction cost	35	18,427,591	27,766,243
Provision for potential lease and other loan losses - net	38	121,674,976	136,880,218
(Reversal) / for potential losses on investments - net	39	(1,599,473)	(504,373)
Provision for workers welfare fund	39	17,500,000	13,500,000
Provision for other receivable	39	26,871,814	1,253,363
Provision for diminution in value of TREC	39	-	16,236,430
Impairment on available for sale securities	39	3,114,225	-
Impairment on equity accounted undertaking	39	-	16,443,654
Share of profit of equity accounted undertakings	34	(275,148,114)	(223,019,793)
(Gain) on hedging instruments	33	(10,904,427)	(22,238,542)
Exchange loss on long term borrowings	33	10,904,427	22,238,542
Other exchange (loss) / gain - net	33	116,609	(341,464)
Provision for staff retirement benefits	36.1	11,999,521	12,539,156
Unrealised gain on remeasurement of financial assets at fair value through profit and loss	33	(5,424,860)	(5,770,291)
Finance cost	35	892,618,014	846,209,556
Profit on certificates of deposit	35	816,643,147	784,403,341
Dividend income	33	(566,639)	(3,044,898)
Exchange loss / (gain) on dividend received	33	(3,622)	1,672,802
Capital (gain) on sale of investments	33	(75,690,780)	(68,937,032)
Return on investments and deposits	33	(4,911,906)	(13,493,052)
Interest income on government securities	33	(106,874,788)	(20,352,219)
(Gain) on disposal of fixed assets	33	(19,917,864)	(17,569,191)
		1,743,430,789	1,780,718,164
		2,603,334,328	2,420,818,677

Notes to the Financial Statements

For the year ended June 30, 2015

45 CASH AND CASH EQUIVALENTS

	Note	2015	2014
		Rupees	
Cash at bank	16	171,964,632	99,127,340
Cash in hand	16	1,321,720	1,356,482
Short - term running finance facilities	28	(884,301,394)	(694,635,094)
		(711,015,042)	(594,151,272)

46 STAFF STRENGTH

	2015	2014	
		Number of Staff	
Company's staff strength at the end of the year	458	442	
Average number of employees*	454	444	

* Represents average number of employees at the end of each month in the year.

47 PROVIDENT FUND RELATED DISCLOSURES

The Company operates a Staff Provident Fund for its employees. The following information is based on the financial statements of the Fund as at June 30, 2015 (unaudited) and 2014 (audited):

	2015 Un-audited	2014 Audited
		Rupees
Size of the Fund - Total assets	380,573,447	309,909,645
Fair value of investments	367,715,453	296,999,895
		Percentage
Percentage of investments made	97%	96%

The cost of the above investments amounted to Rs. 348.09 million (2014: Rs 289.82 million).

Notes to the Financial Statements

For the year ended June 30, 2015

The break-up of fair value of investments is as follows:

	Un-audited 2015	Audited 2014	Un-audited 2015	Audited 2014
	Percentage		Rupees	
Cash and Bank deposits	1.12%	2.38%	4,110,275	7,059,969
Government securities				
- Treasury Bills	10.93%	10.03%	40,199,774	29,781,196
- National Savings Certificate	23.52%	43.27%	86,500,000	128,500,000
- Pakistan Investment Bonds	63.84%	40.67%	234,757,739	120,814,182
Debt securities - listed	0.00%	1.61%	-	4,790,060
Mutual funds - listed	0.59%	2.04%	2,147,665	6,054,488
	100.00%	100.00%	367,715,453	296,999,895

The investments of the provident fund have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

48 FINANCIAL RISK MANAGEMENT

The Company's activities are exposed to a variety of financial risks which mainly include market risk, credit risk and liquidity risk. The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

48.1 Market Risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market profit rates or the market prices of securities due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

Notes to the Financial Statements

For the year ended June 30, 2015

48.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company incurs currency risk on borrowing in foreign currency and investment in overseas associates that are entered in a currency other than Pakistan Rupees. The Company uses cross currency swaps to hedge its currency risk on its foreign currency borrowings. The Company's exposure to foreign currency transactions are as follows:

	2015	2014
	Rupees	
Long term loans	290,571,518	916,964,386
Foreign currency bank account	2,859,017	2,975,626
Investment in associated undertakings	2,176,352,899	1,701,150,417
Accrued interest on long term financing	16,079,833	44,613,434

The Company has hedged interest rate risk and foreign currency risk on long term loans with financial institutions. Had there been no hedge arrangements, profit for the year would have been lower by Rs. 11 million (2014: lower by Rs. 22 million).

Sensitivity analysis

The Company has major currency risk in US Dollar, at the reporting date, if the PKR had strengthened / weakened by 10% against the US Dollar with all other variables held constant, pre-tax profit for the year, in the absence of an effective hedge on its foreign currency assets and liabilities, would have been higher / lower by an amount of Rs. 187 million (2014: Rs. 74 million) mainly as a result of net foreign exchange gain / loss on translation of foreign currency bank account, investment in associated undertakings and foreign creditors.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

48.1.2 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and financial assets with variable interest rates. Financial assets and financial liabilities include balances of Rs.7,269 million (2014: Rs.5,490 million) and Rs. 8,207 million (2014: Rs. 5,338 million) respectively, which are subject to interest rate risks. Applicable interest rates for the same have been disclosed in their respective notes.

Sensitivity analysis for variable rate financial instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. But the Company does designate derivatives (cross currency interest rate swap) as a hedging instrument under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would affect profit and loss account.

An increase / decrease of 100 basis points in interest rate would have increased or decreased profit by Rs. 9.38 million (2014: Rs.1.5 million).

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and financial assets / liabilities of the Company.

Notes to the Financial Statements

For the year ended June 30, 2015

48.1.3 Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments traded in the market.

Other price risk arises from the Company's investment in units of mutual funds and ordinary shares of listed companies. To manage its price risk arising from the aforesaid investments, the Company diversifies its portfolio and continuously monitors developments in equity markets. In addition, the Company actively monitors the key factors that affect stock price movement. As at June 30, 2015, the Company no longer has investments in ordinary shares of listed companies or investments in mutual funds.

Sensitivity analysis

A 10% increase / decrease in redemption and share prices at year end would have increased / decreased the Company's profit in case of investments classified as 'at fair value through profit or loss' and increased / decreased surplus / (deficit) on re-measurement of investments in case of 'available for sale' investments as follows:

	2015	2014
	Rupees	
Effect on profit	-	5,443,305
Effect on equity	-	1,741,996
Effect on investments	-	7,185,301

The sensitivity analysis prepared is not necessarily indicative of the effects on profit / equity and assets of the Company.

48.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The risk is generally limited to principal amounts and accrued profit thereon, if any. The Company has established procedures to manage credit exposure including credit approvals, credit limits, collateral and guarantee requirements. These procedures incorporate both internal guidelines and requirements of the NBFC Rules and the NBFC Regulations. The Company also manages risk through an independent credit department which evaluates customers' credit worthiness and obtains adequate securities where applicable.

All investing transactions are settled / paid for upon delivery. The Company's policy is to enter into financial instrument contract by following internal guidelines such as approving counterparties and approving credits.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location. Out of the total assets of Rs. 28,318 million (2014: Rs. 24,449 million) the assets which were subject to credit risk amounted to Rs. 24,167 million (2014: Rs. 20,956 million). Significant concentrations of the Company's risk assets by industry sector and geographical region are set out in notes 48.2.1 to 48.2.3.

Notes to the Financial Statements

For the year ended June 30, 2015

The maximum exposure to credit risk at the reporting date is:

	2015	2014
	Rupees	
Net investment in finance lease	20,823,948,377	17,774,664,986
Long term finances and loans	2,348,900,011	2,197,541,857
Short term finances	544,177,360	460,312,661
Long term investments	3,265,627	3,265,627
Accrued return on investments and term finance	74,783,699	68,066,629
Short term investments	35,320,358	160,341,044
Other receivables	151,818,110	182,360,125
Long term deposits	10,048,864	10,149,703
Bank balances	171,964,632	99,127,340
	24,164,227,038	20,955,829,972

The Company monitors the credit quality of receivables through diversification of activities to avoid undue concentration of risks with individuals, groups or specific industry segments. For such purpose, the Company has established exposure limits for single lessees and industrial sectors. The Company has an effective rental monitoring system which allows it to evaluate customers' credit worthiness and identify potential problem accounts. An allowance for potential lease, installment and other loan losses is maintained at a level which, in the judgment of management, is adequate to provide for potential losses on lease, installment and other loan portfolio that can be reasonably anticipated. The credit quality of receivables can be assessed with reference to their historical performance with no or some defaults in recent history.

The carrying value of receivables which are past due are as under:

	2015			
	Finance lease (net of security Deposit)	Finance & loan	Investments & other receivables	Total
	Rupees			
90 - 180 days	74,714,000	24,548,688	17,321,720	116,584,408
181-365 days	17,462,000	514,272	18,594,730	36,571,002
Over 1 Year	581,241,758	352,790,740	70,141,210	1,004,173,708
	673,417,758	377,853,700	106,057,660	1,157,329,118
Watch list clients	47,958,238	9,222,806	-	57,181,044
Less: Provision	721,375,996	387,076,506	106,057,660	1,214,510,162
Net of Provision	-	-	-	-
Coverage Ratio	100.0%	100.0%	100.0%	100.0%

Notes to the Financial Statements

For the year ended June 30, 2015

	2014			
	Finance lease (net of security Deposit)	Finance & loan	Investments & other receivables	Total
	Rupees			
90 - 180 days	49,018,000	2,410,353	3,246,329	54,674,682
181-365 days	25,371,000	2,475,066	3,134,729	30,980,795
Over 1 Year	684,631,567	374,185,071	94,924,339	1,153,740,977
	759,020,567	379,070,490	101,305,397	1,239,396,454
Less: Provision	759,020,567	379,070,490	97,021,749	1,235,112,806
Net of Provision	-	-	4,283,648	4,283,648
Coverage Ratio	100.0%	100.0%	95.8%	99.7%

The Company has made appropriate provisions in respect of these past dues. The provisions have been made keeping in view the time based criteria of the NBFC Regulations.

The Company has adequate provision of Rs. 1,215 million (2014: Rs. 1,235 million) against these past dues.

The credit quality of the Company's bank balances and investments portfolio are assessed with reference to external credit ratings which, in all cases, are above investment grade rating.

The analysis below summaries the credit rating quality of the Company's net financial assets as at June 30, 2015:

	2015	2014
	Rupees	
Bank balances		
AAA	50,623,182	39,429,319
AA+	101,376,976	48,876,473
AA	108,592	126,630
AA-	323,435	385,671
A+	18,360,397	300,949
A	64,535	8,789,407
A-	341,609	341,610
A2	234,094	316,437
A3	266,221	-
State Bank of Pakistan	265,591	560,844
	171,964,632	99,127,340
Term Finance Certificates - listed		
AA+	10,991,520	18,651,788
AA	-	2,498,522
Unrated	-	500,527
Mutual Funds		
AM2	-	21,844,186
AM2-	-	17,355,964
AM3-	-	32,186,188

Notes to the Financial Statements

For the year ended June 30, 2015

48.2.1 Segment by class of business

An analysis by class of business of the Company's net investment in finance leases and other advances is given below:

Sector	2015		2014	
	Rupees	%	Rupees	%
Transport and communication	6,102,043,483	25.83%	4,441,616,044	21.84%
Individuals (Auto lease)	4,771,283,302	20.20%	4,462,280,959	21.95%
Services	2,876,674,575	12.18%	2,250,585,061	11.07%
Miscellaneous	1,779,018,185	7.53%	1,717,500,790	8.45%
Textile and allied	1,622,582,150	6.87%	1,534,466,020	7.55%
Fuel and energy	1,251,279,232	5.30%	964,578,173	4.74%
Trading	1,190,471,436	5.04%	1,031,707,862	5.07%
Steel and engineering	958,370,556	4.06%	875,777,314	4.31%
Food and allied	863,706,741	3.66%	859,618,701	4.23%
Paper, board and printing	542,686,323	2.30%	540,760,815	2.66%
Construction	526,274,923	2.23%	477,843,669	2.35%
Chemical and pharmaceutical	485,419,681	2.06%	480,567,011	2.36%
Sugar	335,979,550	1.42%	468,814,668	2.31%
Cement	175,737,610	0.74%	128,576,902	0.63%
Manufacturers of consumer goods	135,999,110	0.58%	98,119,059	0.48%
	23,617,526,857	100.00%	20,332,813,048	100.00%

	2015	2014
	Rupees	
Net investment in finance leases	20,823,948,377	17,774,664,986
Other advances	2,793,578,480	2,558,148,062
	23,617,526,857	20,332,813,048

48.2.2 Segment by sector

The Company's net investment in finance leases includes exposure to Government / Public sector amounting to Rs. 5.27 million (2014: Rs. 45.74 million) and the balance Rs. 20,819 million (2014: Rs. 17,728 million) represents exposure to private sector.

48.2.3 Geographical segment analysis

The Company's operations are restricted to Pakistan only.

48.3 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company will be required to pay its liabilities earlier than expected or will face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below summarises the Company's financial liabilities into relevant maturity groupings based on the

Notes to the Financial Statements

For the year ended June 30, 2015

remaining period at the balance sheet date to contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2015				
	Carrying amount	Contractual cash flows	Upto three months	More than three months and up to one year	More than one year
	Rupees				
Long term finances	8,033,455,235	8,602,074,576	765,512,637	2,240,839,593	5,595,722,346
Long term loans	410,870,766	432,949,068	261,772,821	171,176,247	-
Certificates of deposit	6,983,258,717	9,292,808,545	602,299,240	1,320,921,759	7,369,587,546
Trade and other payables	548,853,987	530,996,598	530,996,598	-	-
Accrued interest / mark-up /profit on loans, finances and certificates of deposit	587,211,187	587,211,187	234,215,955	84,760,718	268,234,514
Short term borrowings	884,301,394	884,301,394	884,301,394	-	-
	17,447,951,286	20,330,341,368	3,279,098,645	3,817,698,317	13,233,544,406

	2014				
	Carrying amount	Contractual cash flows	Upto three months	More than three months and up to one year	More than one year
	Rupees				
Long term finances	5,788,433,398	6,516,099,297	924,024,913	2,201,452,765	3,390,621,619
Long term loans	1,158,327,886	1,209,491,322	649,353,281	269,695,299	290,442,742
Certificates of deposit	6,312,168,511	8,170,631,378	298,566,822	2,546,315,171	5,325,749,385
Trade and other payables	403,633,437	403,633,437	403,633,437	-	-
Accrued interest / mark-up /profit on loans, finances and certificates of deposit	701,317,424	701,317,424	325,807,377	127,921,977	247,588,070
Short term borrowings	694,635,094	696,775,423	696,775,423	-	-
	15,058,515,750	17,697,948,281	3,298,161,253	5,145,385,212	9,254,401,816

48.4 Fair values of financial assets and liabilities

The table below analyses financial instruments carried at fair value, by valuation method. The different levels (methods) have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Financial Statements

For the year ended June 30, 2015

	Level - 1	Level - 2	Level - 3	Total
	Rupees			
At fair value through profit or loss	482,523,845	-	-	482,523,845
Available for sale investments	616,133,538	-	15,285,526	631,419,064
Total	1,098,657,383	-	15,285,526	1,113,942,909

	2015
	Rupees
The reconciliation of items classified in Level 3 is as follows:	
Opening balance as at 1 July	56,194,411
Disposal	(40,073,820)
Revaluation loss	(835,065)
Closing balance as at 30 June	15,285,526

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

48.5 Capital risk management

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to its shareholders or issue new shares.

As required under the NBFC Regulations, every leasing company shall maintain minimum equity requirement of Rs. 700 million at all times. The Company has maintained and complied with the minimum equity requirement during the current year.

49 EARNINGS PER SHARE - basic and diluted

	2015	2014
	Rupees	
Profit for the year	670,903,539	516,113,261
Weighted average number of ordinary shares	82,052,930	82,052,930
Earnings per share - basic and diluted	8.18	6.29

49.1 Diluted earnings per share has not been presented separately as the Company does not have any convertible instruments in issue at June 30, 2015 and June 30, 2014 which would have any effect on the earnings per share if the option to convert is exercised.

Notes to the Financial Statements

For the year ended June 30, 2015

50 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

- 50.1** The Board of Directors in its meeting held on Sep 16, 2015 proposed a final dividend of Rs. 4.5 per share (2014: Rs. 3.5 per share) for the year ended June 30, 2015, amounting to Rs. 369,238,185 (2014: Rs. 287,185,255) for approval of members at the Annual General Meeting to be held on Oct 27, 2015. The financial statements for the year ended June 30, 2015 do not include the effect of the proposed dividend which will be accounted for in the financial statements for the year ending June 30, 2016.
- 50.2** ORIX Leasing Pakistan Limited (“OLPL”) has entered into an Amalgamation Agreement and Share and Certificate Purchase Agreement (the “Agreements”) with Standard Chartered Bank (Pakistan) Limited (“SCBPL”) with respect to the proposed, (i) merger / amalgamation of Standard Chartered Leasing Limited (a subsidiary of SCBPL) with and into OLPL; (ii) acquisition of SCBPL’s 100% stake in Standard Chartered Services of Pakistan (Private) Limited; and (iii) acquisition of SCBPL’s 20% stake in Standard Chartered Modaraba.

The proposed transactions and their implementation would be subject to satisfaction of various conditions including regulatory approvals contained in the Agreements. The consideration for the value of the shares of Standard Chartered Leasing Limited and Standard Chartered Services of Pakistan (Private) Limited and certificates of Standard Chartered Modaraba will be finalized at the time of completion of the transactions, which consideration will be subject to post-completion adjustment.

51 CORRESPONDING FIGURES

- 51.1** Following corresponding figures have been rearranged and reclassified for the purpose of better presentation and comparison.

Description	Reclassified from	Classified to	Amount in Rs
Ijarah Finance Rent	Accrued return on investment & term finances	Other receivable	1,958,355

52 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 16, 2015 by the Board of Directors of the Company.

Pattern of Shareholdings

As at June 30, 2015

NO. OF SHAREHOLDERS	FROM	TO	SHARES HELD	PERCENTAGE
1722	1	100	48,988	0.06%
700	101	500	176,540	0.22%
236	501	1000	181,756	0.22%
418	1001	5000	986,323	1.20%
94	5001	10000	707,820	0.86%
61	10001	15000	737,593	0.90%
40	15001	20000	739,871	0.90%
15	20001	25000	347,535	0.42%
19	25001	30000	535,745	0.65%
4	30001	35000	134,409	0.16%
6	35001	40000	230,695	0.28%
4	40001	45000	174,213	0.21%
7	45001	50000	350,000	0.43%
2	50001	55000	104,165	0.13%
2	55001	60000	116,000	0.14%
2	60001	65000	126,335	0.15%
2	65001	70000	133,710	0.16%
1	70001	75000	74,679	0.09%
1	75001	80000	80,000	0.10%
4	80001	85000	330,241	0.40%
1	90001	95000	95,000	0.12%
3	95001	100000	300,000	0.37%
1	100001	105000	100,681	0.12%
3	105001	110000	321,156	0.39%
2	115001	120000	232,000	0.28%
4	120001	125000	498,500	0.61%
2	125001	130000	256,500	0.31%
1	130001	135000	133,000	0.16%
1	135001	140000	136,523	0.17%
1	140001	145000	145,000	0.18%
1	150001	155000	150,084	0.18%
1	155001	160000	156,500	0.19%
1	170001	175000	174,125	0.21%
1	195001	200000	200,000	0.24%
1	210001	215000	214,500	0.26%
1	220001	225000	223,000	0.27%
1	230001	235000	230,672	0.28%
1	245001	250000	250,000	0.30%
1	260001	265000	263,000	0.32%
1	265001	270000	265,457	0.32%
5	295001	300000	1,500,000	1.83%
1	345001	350000	350,000	0.43%
1	350001	355000	355,000	0.43%
1	360001	365000	362,323	0.44%
1	375001	380000	378,500	0.46%
1	385001	390000	387,000	0.47%
1	390001	395000	391,790	0.48%
1	405001	410000	408,562	0.50%
1	435001	440000	439,367	0.54%
1	445001	450000	446,500	0.54%
1	450001	455000	451,047	0.55%
1	505001	510000	506,747	0.62%
1	510001	515000	512,500	0.62%
1	720001	725000	725,000	0.88%
1	735001	740000	737,500	0.90%
1	880001	885000	884,500	1.08%
1	1295001	1300000	1,300,000	1.58%
1	1330001	1335000	1,333,580	1.63%
1	1340001	1345000	1,340,022	1.63%
1	1685001	1690000	1,689,793	2.06%
1	4235001	4240000	4,237,290	5.16%
1	4310001	4315000	4,310,902	5.25%
1	7650001	7655000	7,650,852	9.32%
1	40690001	40695000	40,691,839	49.59%
3397			82,052,930	100%

Pattern of Shareholdings

As at June 30, 2015

Categories of Shareholders	Number of Shares Held	Category wise Number of Shareholders	Category wise Shares held	Percentage
Individuals	-	3,241	13,085,490	15.95%
Investment Companies	-	5	83,392	0.10%
Joint Stock Companies	-	30	1,230,517	1.50%

Directors, Chief Executive Officer and their Spouse and Minor Children

Mr. Kunwar Idris	2,771			
Mr. Harukazu Yamaguchi	575			
Mr. Humayun Murad	155,109			
Mr. Shahid Usman	20,500			
Mr. Shaheen Amin	575			
Mr. Kazuhito Inoue	575			
Mr. Teizoon Kijat	66,210			
Mrs. Khalida Idris w/o Mr. Kunwar Idris	8,302			
		8	254,617	0.31%
Executives		35	131,839	0.16%
Associated Companies, Undertakings and Related Parties				
ORIX Corporation		1	40,691,839	49.59%
Public Sector Companies and Corporations		2	6,277,097	7.65%
Banks, DFIs, NBFCs, Insurance Companies Takaful, Modarabas, Pension Funds and Mutual Funds		12	5,186,956	6.32%
Foreign Investors		46	14,351,122	17.49%
Others		17	760,061	0.93%
Total		3,397	82,052,930	100.00%

Additional Information

Shareholders holding five percent or more voting rights				
Aberdeen Asian Smaller Companies Investment Trust PLC			4,237,290	5.16%
State Life Insurance Corporation of Pakistan			4,310,902	5.25%
Majid Al Futtaim Trust LLC			7,650,852	9.32%
ORIX Corporation			40,691,839	49.59%
Total			56,890,883	69.33%

Parent & Associated Companies

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

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

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

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

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

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

Offices in Pakistan

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: oip@orixpakistan.com
Website: 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

e-Business Division

Bahria Complex IV, 6th Floor Block-B,
Choudary Khalique-uz-Zaman Road,
Clifton, Karachi
UAN: 111-767-657
Tel:021-35147861-66

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
Tell: 056-2590021

Chunian

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

Faisalabad Zone

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

Sargodha

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

1st 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.

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

Chakwal

Ground Floor, Opposite Saddar 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 Mandi, Opp. Zaka Hospital,
Renala Khurd, Distt. Okara
Tel: 044-2635185

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

INVESTORS AWARENESS

In pursuance of SRO 924(1)/2015 dated September 9th, 2015 issued by the Securities and Exchange Commission of Pakistan (SECP), the following informational message has been reproduced to educate investors:

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*Mobile apps are also available for download for android and ios devices

Form of Proxy

I/We _____

of (full address) _____

being a Member of ORIX Leasing Pakistan Limited hereby appoint _____

of (full address) _____

or failing him / her _____

of (full address) _____

as my/our Proxy to attend and vote for me and on my behalf at the Twenty Ninth Annual General Meeting of the Company to be held on October 27, 2015 and at any adjournment thereof.

Signature this _____ Year 2015
(day) (date, month)

Signature of Member : _____

Folio Number : _____

Number of shares held : _____

Please affix
revenue stamp

Signature and Company Seal

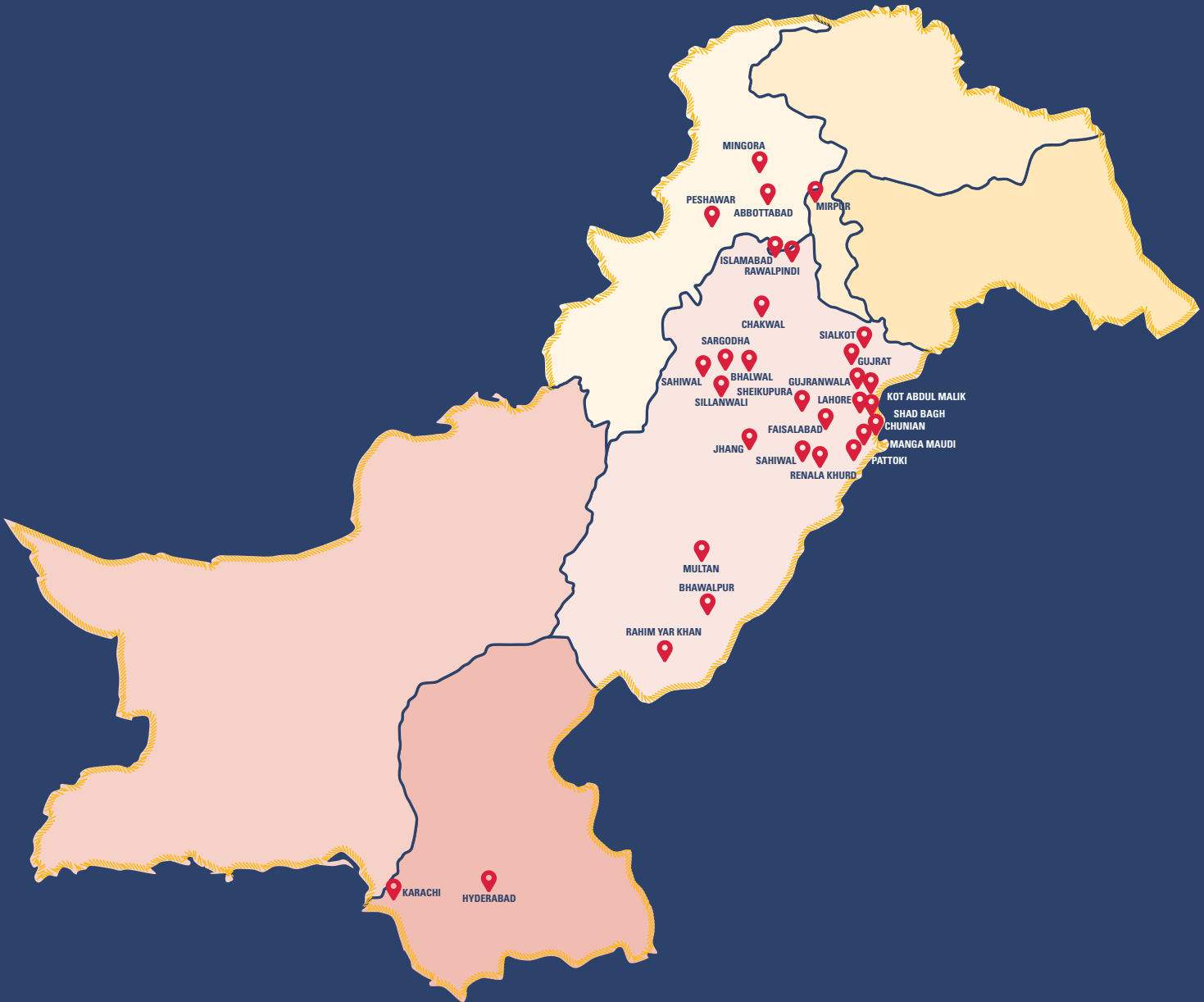
Signatures and addresses of witnesses

1. _____

2. _____

1. A Member entitled to attend and vote at the General Meeting is entitled to appoint a Proxy to attend and vote instead of him / her. A Proxy need not be a Member of the Company.
2. The instrument appointing a Proxy shall be in writing under the hand of the appointer or of his / her attorney duly authorized in writing, if the appointer is a corporation, under its common seal or the hand of an officer or attorney duly authorized.
3. The instrument appointing a Proxy and the power of attorney or other authority under which it is signed or a notarially certified copy of the power of attorney must be deposited at the registered office of the Company at least 48 hours before the time of the meeting.
4. An individual Beneficial Owner of the Central Depository Company, entitled to attend and vote at this meeting must bring his / her original Computerised National Identity Card (CNIC) or Passport with him / her to prove his / her identity, and in case of Proxy, must enclose an attested copy of his / her CNIC or Passport. The representative of corporate entity, shall submit Board of Directors' resolution / power of attorney with specimen signature (unless it has been provided earlier) alongwith proxy form to the Company.

GEOGRAPHICAL PRESENCE



ORIXPAKISTAN.COM



ORIX Leasing Pakistan Limited

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