

ORIX LEASING
PAKISTAN LIMITED



Delivering Business Needs

ANNUAL REPORT

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ORIX LEASING PAKISTAN LIMITED

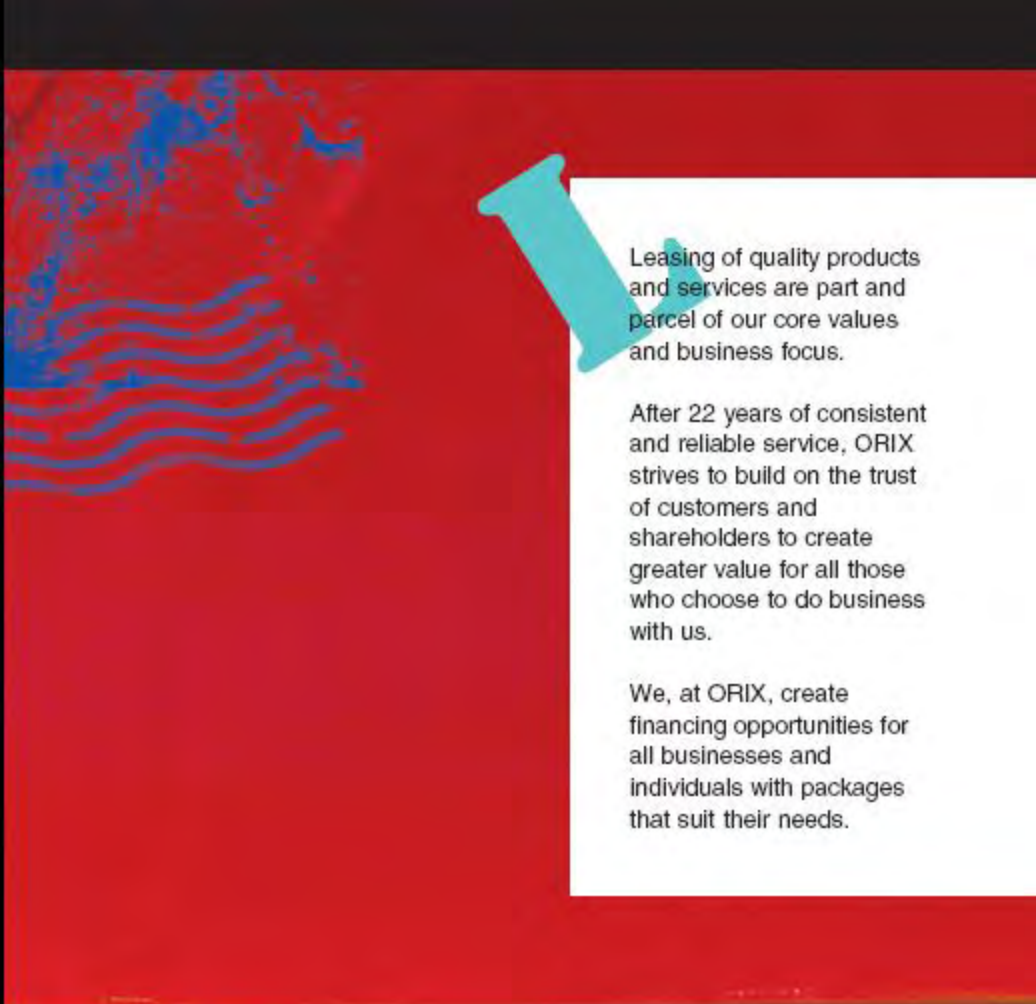


ANNUAL REPORT



A close-up photograph of a red envelope. A blue rectangular stamp is affixed to the envelope, tilted slightly. The stamp contains the text "Delivering Business Needs" in white, sans-serif font. The envelope is placed on a light brown cardboard surface. In the upper right corner of the envelope, there is a faint, circular postmark with wavy lines. At the bottom right, a portion of a blue circular logo is visible on the cardboard.

Delivering
Business
Needs



Leasing of quality products and services are part and parcel of our core values and business focus.

After 22 years of consistent and reliable service, ORIX strives to build on the trust of customers and shareholders to create greater value for all those who choose to do business with us.

We, at ORIX, create financing opportunities for all businesses and individuals with packages that suit their needs.





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Long known for efficient, price-competitive and inventive financing, ORIX Corporate Lease is a label which successful businesses choose to carry.

Just as machines are basic to industry, so ORIX's Corporate Lease is in setting them up.

ORIX recognizes the contribution of industrial units to the Nation's productivity and is focused on serving large and small enterprises with leasing options which suit them best. Financing is available on easy terms to help give products and services that competitive edge.



C O R P O R A T E L E A S E



**Labelled
for Success**



As living standards rise, so does the demand for vehicles. ORIX can help you own one. ORIX Auto Lease requires you to complete only simple formalities and you can choose from all kinds of cars the market has to offer.

We have been in this business for many years and have established a name for ourselves for high quality and timely service. Signing a lease on easy rentals is just the beginning. There is a lot more we do for you during the lease period. Call us and be a proud owner of the car of your choice.

A U T O L E A S E



**Marked for
Mobility**



Power breakdowns are very expensive for any business but ORIX can help you avoid them by providing reliable power generation for your particular needs.

ORIX's Operating Lease (Rentec) is not only reliable, it is economical as well. That's why small, medium and large businesses choose Rentec for a full choice of equipment, maintenance and easy procedures.

ORIX has made Rentec affordable so it is better to pay rental, and keep your businesses running non-stop. For round the year uninterrupted power supply to keep your business running smoothly, rely on Rentec.



GENERATORS



**Packed
for Power**



All the convenience and security you need is contained in small power packed cards.

Most of us would agree cash handling is inconvenient not to mention risky. But there is a better way – card based transactions, which are both convenient and secure.

ORIX has been instrumental in expanding the use of plastic cards credit, debit, fleet and loyalty, by providing state of the art network of point of sale terminals and processing facilities for leading commercial banks and corporations. ORIX has pioneered the use of loyalty cards in the Country. Today, ORIX has over 10,000 point of sale terminals which record 1.3 million transactions a month in over 200 towns and cities of Pakistan.

ORIX e-Business means an easier life for buyers and more business for sellers.



E - B U S I N E S S

Assured for
Confidentiality





Agriculture is the backbone of our economy so we offer a parcel of agri-schemes waiting to be unpacked.

Have you ever considered what agricultural loans can do to boost yield? Having resources at the right time can give you bumper crops. ORIX's Agri-Finance can be used to buy seeds, fertilizers and pesticides as well as high value machinery.

We take pride in offering simplified paperwork, straightforward procedures and fast service. Farmers, big and small, can benefit from ORIX Agri-Finance. We would be happy to tell you more.



A G R I L E A S E



**Acknowledged
for Agri Finance**



How many men and women strive daily to build a better life for their families? Well ORIX can lend a helping hand with neat packages that will give them a tidy sum to start a business.

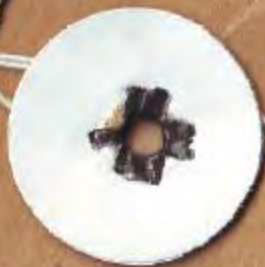
It is acknowledged that one of the most effective ways to alleviate poverty is to help the poorest segment of society to become productive. ORIX assists this deserving segment by providing small loans to start businesses or expand existing ones.

Financial assistance enables micro-entrepreneurs to buy equipment ranging from sewing machines to rickshaws as well as raw materials. Each individual helped means a better standard of life, healthcare and education for a whole family and a better start in life for their children.



M I C R O F I N A N C E





As astute savers invest in ORIX Certificates of Investment. It is a case of excellent returns and great security for your total peace of mind. There is flexibility too, with maturity terms ranging from 30 days to 10 years and payment of profits can be periodic or accumulated till maturity.

You can rest assured your savings are in ORIX's safe hands, backed by total assets of over Rs. 25 billion and an AA+ credit rating (the highest in Pakistan's leasing sector).

Who can invest? Pretty well every one can – individuals, professionals, housewives, senior citizens, partnerships, companies, banks, insurance companies, pension/gratuity funds....the list goes on.

CERTIFICATES OF INVESTMENT

STAMPED
FOR QUALITY





MISSION

ORIX seeks its development through its domestic and international presence by constantly anticipating and monitoring emerging trends and offering new and 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 fulfil the needs of our customers by consistently increasing our value to them as an efficient source of financial services.

ORIX makes all efforts in enhancing superior professional competencies by creating a culture that fosters openness and innovation, promotes individual growth and at the same time rewards initiative and performance.

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

The background of the page is a teal-colored photograph of a shipping box. On the left side, there is a vertical strip of white tape with several black icons: a crossed-out box, a box with a red 'X', a box with two upward-pointing arrows, a box with an umbrella and raindrops, and a box with a wine glass. Below these icons is a red wavy line, similar to a postage meter mark. The word 'VISION' is printed in white on a blue rectangular background, tilted at an angle. A white rectangular box on the right side contains the main text.

ORIX aims to maximise shareholder value by drawing on its extensive array of specialised capabilities to continuously provide our customers with value added financial solutions.

VISION



ORIX



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Company Information

Board of Directors

Mr. Yuki Oshima	(alternate Mr. Etsuo Matsumoto)	Chairman
Mr. Kunwar Idris		Non Executive Director
Mr. Kiyoshi Fushitani		Non Executive Director
Mr. Fumihiko Sato		Non Executive Director
Mr. Sohail Hashmi		Nominee of State Life Insurance Corporation
Mr. Naim Farooqui		Non Executive Director
Mr. S. Saeed Reza		Executive Director
Mr. Humayun Murad		Chief Executive

Senior Advisor

Mr. Shakirullah Durrani

Audit Committee

Mr. Sohail Hashmi	Chairman
Mr. Kunwar Idris	
Mr. Fumihiko Sato	

Executive Committee

Mr. Kunwar Idris	Chairman
Mr. Naim Farooqui	
Mr. Humayun Murad	

Deputy Managing Director & Chief Financial Officer

Mr. Teizoon Kisat

Company Secretary

Mr. Ramon Alfrey

Head of Internal Audit & Secretary to Audit Committee

Mr. M. Ismail Khan

Senior Management

Mr. S. Saeed Reza	Director & General Manager - International Operations
Mr. Teizoon Kisat	Deputy Managing Director & Chief Financial Officer
Mr. Ramon Alfrey	General Manager - Finance and Accounts
Mr. Amjad Iqbal	General Manager - Corporate Lease

Mr. Arshad Abbas	General Manager - Commercial Vehicle Division
Mr. Giasuddin Khan	General Manager - e-Business
Mr. M. Ismail Khan	General Manager - Internal Audit
Mr. Khalid Amir	General Manager - Corporate Lease (Northern Region)
Mr. M. Ayub Khan	General Manager - Special Assets Management
Mr. M. Shakeb Murad	General Manager - Treasury
Mr. Hamood Ahmed	Head - Consumer Auto Lease
Mr. M. Naeem Saeed	Head - Information Systems
Mr. Nadeem Junaidy	Head - Human Resource
Ms. Aseya Qasim	Head - Micro Finance
Mr. Tasneem Chaudhry	Head - Operating Lease
Mr. Amil Kaer Adam Khan	Head - Credit Control
Ms. Samina Hassan Ali	Head - Legal Affairs
Mr. Tahir Bhatti	Head - Business Control

Banks and Lending Institutions

Allied Bank Limited	Meezan Bank Limited
Arif Habib Bank Limited	National Bank of Pakistan
Atlas Bank Limited	NIB Bank Limited
Bank Alfalah Limited	Pakistan Poverty Alleviation Fund
Citibank N.A.	Standard Chartered Bank (Pakistan) Limited
Citibank Japan Limited	Swiss Agency for Development and Co-operation
Habib Bank Limited	Saudi Pak Commercial Bank Limited
Habib Metropolitan Bank Limited	Soneri Bank Limited
Hong Kong Shanghai Banking Corporation Limited	The Bank of Tokyo - Mitsubishi UFJ, Limited
ING Bank Limited, Japan Branch	The Bank of Punjab
International Finance Corporation	United Bank Limited
MCB Bank Limited	

Auditors

M/s. KPMG Taseer Hadi & Co., Chartered Accountants

Legal Advisors

M/s. Mansoor Ahmad Khan & Co.

M/s. Walker Martineau & Saleem

Registrar and Share Transfer Office

Noble Computer Services (Private) Limited

2nd Floor, Sohni Centre

BS 5 & 6, Main Karimabad

Block-4, Federal B. Area, Karachi - 75950

Registered Office & Head Office

Overseas Investors Chamber of Commerce Building

Talpur Road, Karachi-74000

ORIX Corporation

ORIX Corporation is one of the largest non-bank financial services group of Japan, providing innovative value added products and services to both corporate and retail customers. It is listed on Tokyo and New York Stock Exchanges. With operations in 26 countries and regions worldwide, ORIX's activities include corporate financial services, such as leases and loans, as well as automobile operations, rental operations, real estate related finance, real estate development, life insurance and investment banking. By pursuing new profit earning opportunities through specialized leasing capabilities and broadening operational scope, ORIX has achieved sustained growth in earnings over the years. The Group reported pre-tax profit of US\$ 2.5 billion for the year ended March 31, 2008 and its asset base amounted to US\$ 89.8 billion on that date. ORIX has supplemented its leasing expertise with specialized capabilities in various kinds of financial transactions as well as management of tangible assets. The Group's fundamental strength lies in its ability to keep one step ahead of the competition by constantly seizing on new business opportunities.

ORIX CORPORATION, JAPAN - FINANCIAL HIGHLIGHTS

	US Dollars (million)	
	March 31, 2008	March 31, 2007
Total Revenues	11,519	9,679
Profit Before Tax	2,493	2,677
Shareholders' Equity	12,655	10,116
Total Assets	89,779	69,523

ORIX'S PRINCIPAL ACTIVITIES

- Equipment leasing and instalment loans
- Automobile leasing and rentals
- Rental of testing, measuring, and IT-related equipment
- Real estate related finance
- Real estate developing and leasing
- Investment banking
- Asset management services for REITs
- Life insurance
- Consumer card loans
- Venture capital
- Securities brokerage

Associated Companies

OVERSEAS ASSOCIATES'

The Company's international associates' activities started in 1993 when an associate leasing company was established 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 Co SAOG (OOLC)	1993
ORIX Leasing Egypt SAE (OLE)	1997
Saudi ORIX Leasing Company (SOLC)	2001
MAF ORIX Finance PJSC, UAE (MAFO)	2002
BTA ORIX Leasing JSC, Kazakhstan (BTAO)	2005

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

OLP's shareholding in each company and their financial highlights are summarized below:

Company	OLP's Holding %	LCY	Pre-tax Profit Year to Dec 2007		Total Assets at Dec 31, 2007		Pre-tax Profit Half Year June 2008	
			LCY in 000s	Rs in millions	LCY in 000s	Rs in millions	LCY in 000s	Rs in millions
OOLC	11.64	RO	1,796	319	54,531	9,692	1,482	263
OLE	23.00	LE	16,415	213	282,273	3,670	7,713	100
SOLC	10.00	SR	26,559	481	920,266	16,680	22,090	400
MAFO	3.00	AED	18,600	344	374,644	6,930	13,809	255
BTAO	10.00	KZT	336,609	192	7,317,270	4,171	152,869	87

ASSOCIATES' IN PAKISTAN

ORIX Investment Bank Pakistan Limited (OIB)

OIB was incorporated in 1995 and is listed on the Karachi and Lahore Stock Exchanges. OLP has a 15% share in the company's capital. The bank is engaged in providing a full range of investment banking services and also has a brokerage division. For the year ended June 30, 2008, OIB sustained a loss of Rs. 664 million after tax mainly due to a loss in its Brokerage Division.

ORIX Properties Pakistan (Private) Ltd. (OPPL)

OPPL was established in January 2008 with a paid up capital of Rs. 300 million. The Company's sponsors are ORIX Corporation (45%), ORIX Leasing Pakistan Limited (45%) and local investors (10%). The primary object of the Company is to acquire, develop and manage real estate projects.

Notice of Meeting

Notice is hereby given that the Twenty-Second Annual General Meeting of the Company will be held at Overseas Investors Chamber of Commerce Building, Talpur Road, Karachi, on Wednesday, October 22, 2008 at 2:00 p.m. 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, 2008.
2. To approve the payment of cash dividend to the shareholders at the rate of Rs. 1.5/- per share of Rs. 10/- each for the year ended June 30, 2008.
3. To appoint Auditors and fix their remuneration. The present Auditors, Messrs. KPMG Taseer Hadi & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment.
4. To elect 8 (eight) Directors of the Company for a three year term commencing from October 23, 2008 as fixed by the Board of Directors under section 178 of the Companies Ordinance, 1984.

The following are the retiring Directors:

- | | |
|--------------------------|----------------------|
| 1) Mr. Yuki Oshima | 5) Mr. Sohail Hashim |
| 2) Mr. Kunwar Idris | 6) Mr. Naim Farooqui |
| 3) Mr. Kiyoshi Fushitani | 7) Mr. S. Saeed Reza |
| 4) Mr. Fumihiko Sato | 8) Mr. Humayun Murad |

The retiring Directors are eligible for re-election.

SPECIAL BUSINESS (Statement Attached)

5. To approve an increase in Authorised Share Capital of the Company.
6. To approve the issue of bonus shares in the ratio of three shares for every twenty shares held (15%) as recommended by the Board of Directors. The bonus issue of Rs. 104,217,730 is proposed to be capitalized out of the Share Premium Account.
7. To consider and if approved, to pass a resolution, with or without modification, in respect of investment in Rights Issue of BTA ORIX Leasing JSC, Kazakhstan.
8. To approve remuneration of the Chief Executive and Director.
9. To transact any other business, with permission of the Chair.

Karachi: September 16, 2008

BY ORDER OF THE BOARD

RAMON ALFREY
Company Secretary

Notes:

- i) The Register of Members of the Company shall remain closed from October 14, 2008 to October 22, 2008 (both days inclusive). Transfers received in order at our registrars, Messrs. Noble Computer Services (Private) Limited, 2nd Floor, Sohni Centre, BS 5 & 6, Main Karimabad, Block-4, Federal B Area, Karachi at the close of business on October 13, 2008, will be treated in time for the purpose of payment of dividend and entitlement of bonus shares.
- ii) Any person who seeks to contest an election for the office of Director, shall whether he/she is a retiring Director or otherwise, file with the Company at its registered office not later than fourteen days before the date of the meeting (i) a notice of his/her intention to offer himself/herself for election as a Director, (ii) a declaration on the matters required by the Code of Corporate Governance, (iii) a consent on Form 28 and (iv) a copy of computerized national identity card (CNIC) or passport copy in case of a non resident.
- iii) A Member entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf. A proxy need not be a Member of the Company.
- iv) 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 72 hours before the time of the meeting. A form of proxy is enclosed. Shareholders are requested to notify any change of address immediately.
- v) 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 National Identity Card (NIC) 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 NIC numbers shall be mentioned on the form.
- (iii) Attested copies of NIC 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 NIC 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.

Statement under section 160 (1) (b) of the Companies Ordinance, 1984 in respect of special business and related draft resolutions

Material facts concerning the special business to be transacted at Annual General Meeting and the proposed resolution related thereto are given below.

ITEM No. 5 OF AGENDA - Increase in Authorised Share Capital

Presently, the authorised share capital of the Company is Rs. 1 billion and paid up capital is Rs. 694,784,830. For any future increases in paid up share capital, the Company will need to increase the authorised share capital. Therefore, it is proposed that authorised share capital of the Company be increased to Rs. 2 billion. The Members are requested to pass the following as a Special Resolution:

“Resolved that:

- a) The Authorised Share Capital of the Company be and is hereby increased from Rs. 1,000,000,000/- (Rupees one billion) to Rs. 2,000,000,000/- (Rupees two billion) divided into 200,000,000 ordinary shares of Rs. 10/- each.
- b) The figures and words “Rs. 1,000,000,000/- (Rupees One Billion) divided into 100,000,000 ordinary shares of Rs. 10/- each” appearing in Clause VI of the Memorandum of Association be and are hereby substituted by the figures and words “Rs. 2,000,000,000/- (Rupees two billion) divided into 200,000,000 ordinary shares of Rs. 10/- each”.
- c) The figures and words “Rs. 1,000,000,000/- (Rupees One Billion) divided into 100,000,000 ordinary shares of Rs. 10/- (Rupees Ten) each” appearing in Clause 5 of the Articles of Association be and are hereby substituted by the figures and words “Rs. 2,000,000,000/- (Rupees two billion) divided into 200,000,000 ordinary shares of Rs. 10/- (Rupees ten) each”.

ITEM No. 6 OF AGENDA - Issuance of Bonus Shares

The Directors are of the view that the Company's financial position justifies the capitalization of Rs. 104,217,730 from the Share Premium Account of the Company to enable a bonus issue in proportion of three shares for every twenty shares held. It is, therefore, proposed to pass the following Ordinary Resolution:

“Resolved that:

A sum of Rs. 104,217,730 be capitalized out of the free reserves of the Company by transfer from the Share Premium Account and applied for the issuance of 10,421,773 ordinary shares of Rs. 10/- each and allotted as fully paid up bonus shares to the Members of the Company, who are registered in the books of the Company as at the close of business on October 13, 2008, in the proportion of three shares for every twenty shares held and that such new shares shall rank pari-passu with existing ordinary shares of the Company except that proposed bonus shares shall not be eligible for dividend in respect of the year ended June 30, 2008.

Further resolved that:

In the event of any Member holding shares which are not an exact multiple of twenty, the Directors be and are hereby authorized to consolidate all such fractions of bonus shares and sell them in market and distribute the net proceeds amongst the shareholders in the proportion of their respective entitlement.”

The Directors are interested in the business to the extent of their entitlement of bonus shares as shareholders only.”

ITEM No. 7 OF AGENDA - Investment in Rights Issue of BTA ORIX Leasing JSC, Kazakhstan

The Directors recommend investment in Rights Shares offered by BTA ORIX Leasing JSC (BTAO), an associated company, in Kazakhstan. BTAO started operations in 2001 as a wholly owned subsidiary of BTA Bank. The share capital of BTAO is KZT 1,300 million (Rs. 844 million). The Company acquired a 10% holding in BTAO in 2005 at a cost of Rs. 63.01 million. The Company is BTAO's technical manager. BTAO has approved 100% Rights Issue at par to increase the paid up capital by KZT 1,300 million

(Rs. 844 million approximately). The Company is entitled to purchase 8,750 Rights Shares. The details are as follows:

Associated undertaking	:	BTA ORIX leasing JSC
Nature of investment	:	8,750 Rights shares
Par value of share	:	KZT 14,859.50 (Rs. 9,649) each
Amount of investment	:	KZT 130,020,625 (Rs. 85 million approximately)
Average market price per share	:	Not applicable (unlisted)
Break up value of share	:	KZT 25,365 (Rs. 16,471)
Price per share	:	KZT 14,859.50 (Rs. 9,649) each
Earnings per share	:	2007: KZT 3,846.92 (Rs. 2,498)
		2006: KZT 3,153.92 (Rs. 2,048)
		2005: KZT 1,623.16 (Rs. 1,054)
Source of fund	:	Internal generation
Period of investment	:	Long term
Purpose of investment	:	Equity investment
Benefits likely to accrue	:	Dividends
Interest of Directors and their relatives	:	None

It is proposed to pass the following Special Resolution with or without modification:

“Resolved that:

The Company be and is hereby authorized to invest in Rights Shares offered by its associate company, BTA ORIX Leasing JSC entitling the Company to purchase 8,750 shares at par value of KZT 14,859.5 (Rs. 9,649) per share, equivalent to a total investment of KZK 130,020,625 (approximately Rs. 85 million at current exchange rate). The said investment is subject to the approval of the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan.

Further resolved that:

The Chief Executive and Company Secretary of the Company be and are hereby authorized to sign jointly or severally such documents and do all acts, deeds, things as may be required in this respect from time to time.”

ITEM No. 8 OF AGENDA - Remuneration of Chief Executive and Directors

Shareholders' approval is required for the holding of office for profit of the Chief Executive and Director(s) as well as of their remuneration. It is, therefore, proposed to pass the following as an Ordinary Resolution:

“Resolved that:

Approval is hereby given for the holding of office of profit with the Company by the Chief Executive, Mr. Humayun Murad, and Executive Director, Mr. S. Saeed Reza for payment of remuneration not exceeding Rs. 21.5 million for the year ending June 30, 2009 (2008: Rs. 18.8 million), together with other benefits in accordance with rules of the Company.”

The Directors are interested to the extent of the remuneration payable to them individually.

Report of the Directors

The Directors of ORIX Leasing Pakistan Limited (the Company) are pleased to present the Twenty-Second Annual Report together with the audited financial statements of the Company for the year ended June 30, 2008.

FINANCIAL RESULTS

	Rupees
Profit before taxation	351,609,560
Less: Taxation - Current	58,000,000
- Deferred	27,000,000
	85,000,000
Profit after taxation	266,609,560
Add: Unappropriated profit brought forward	362,249,315
Less: cash dividend - year ended June 30, 2007	(243,174,691)
Profit available for appropriation	385,684,184
Appropriations:	
Transfer to statutory reserve	53,500,000
Unappropriated profit carried forward	332,184,184
Earnings per share - Basic and diluted	3.84
Subsequent effect:	
Proposed Cash dividend @ 15% for the year ended June 30, 2008	104,217,719

DIVIDEND

The Directors are pleased to recommend a cash dividend of 15% for the year ended June 30, 2008 (2007: 35%). The Directors also recommend a bonus issue of 15% i.e. three shares for every twenty existing shares held, by transfer from the Share Premium Reserve Account.

REVIEW OF OPERATIONS

The Company's profit before tax at Rs. 352 million was 11% lower than Rs. 396 million earned last year. This result was achieved during a year plagued by economic slowdown and rising funding costs. Additionally, due to law and order conditions, operations were disturbed in a number of cities during the year. In particular, business was affected in Mingora, Hyderabad, Karachi, Islamabad and Rawalpindi. As a consequence, lease / loan disbursements at Rs. 10.8 billion were lower by 11% compared to Rs. 12.1 billion recorded last year.

Net lease receivables at Rs. 23.5 billion were slightly higher than last year's level of Rs. 23.2 billion. Of the assets leased, passenger cars accounted for 45%, machinery and equipment for 37%, and commercial vehicles for 18%.

Corporate leases comprise 70% of the Company's lease portfolio whereas auto and consumer finance for individuals accounts for the balance 30%. Within the corporate lease portfolio, highest exposure of 10.82% is to Transport and Communication sector followed by Services at 10.33% thereby ensuring diversity in both product and sector exposure.

Total revenues at Rs. 3.45 billion were 15% higher than Rs. 3.01 billion earned last year. Finance lease, with revenue of Rs. 2.38 billion (2007: Rs. 2.17 billion), remains the Company's core business activity, accounting for 70% of total revenues.

Operating lease revenues were 7% higher at Rs. 535 million (2007: Rs. 501 million). The increase reflects improved deployment of the Company's generator inventory together with higher e-business revenues from point of sale network for processing credit, debit, fleet and loyalty card transactions for clients of banks and other corporate entities.

During the year, the Company successfully enhanced its long term borrowings thereby strengthening its current ratio and ensuring greater financial stability. Financial charges increased by 18% to Rs. 2.13 billion (2007: Rs. 1.81 billion). Higher borrowing at Rs. 17.4 billion (2007: Rs. 16.8 billion) together with rising interest rates resulted in a sharp increase in borrowing costs.

Administrative and general expenses increased by 23% to Rs. 517 million (2007: Rs. 420 million). This reflects both inflationary impact and growth in Company size due to strengthening of operations. Direct cost of leases, which mainly comprise of maintenance, depreciation and insurance costs were controlled and amounted to Rs. 343 million (2007: Rs. 340 million).

Net provision of Rs. 105 million (2007: Rs. 51 million) was made during the year for potential lease and loan losses taking the accumulated provision to Rs. 280 million.

ASSOCIATED COMPANIES

The Company's share in profit of associates' amounted to Rs. 58.8 million (Rs. 79.4 million) being 26% lower than last year primarily due to loss incurred by ORIX Investment Bank Pakistan Limited.

The Company's five overseas associates maintained their steady performance and their contribution to profits amounted to Rs. 161 million (2007: Rs. 126 million). Significant contributions were made by Oman ORIX (Rs. 53 million), Saudi ORIX (Rs. 42 million) and ORIX Leasing Egypt (Rs. 35 million).

ORIX Properties Pakistan (Pvt.) Limited (OPPL), in which the Company has a 45% share, was established in January 2008 with a paid up capital of Rs. 300 million. OPPL will concentrate on the development and management of residential and commercial real estate.

During the year, Oman ORIX Leasing Company SAOG announced 85% Rights Issue. The Company did not participate in the Rights Issue as the investment was large and would have restricted the Company's ability to invest in new joint ventures in Pakistan and overseas. The Company earned a capital gain of Rs. 73 million on renunciation of the Rights in Oman ORIX Leasing.

ORIX Investment Bank Pakistan Limited (OIBP), recorded a big loss in the current year reducing the Company's profit by Rs. 100 million (2007: Rs. 47 million) being its share of OIBP's total loss. The loss was due to a disputed investment which has substantially diminished in value. OIBP has fully provided for the diminution in the value of these shares resulting in the above loss. During the year, the Company exercised its right to participate in OIBP's Rights Issue to the extent of Rs. 108.9 million thereby maintaining its 15% shareholding in OIBP.

Details of associated companies' results are given in notes 6.1.5 and 31 to the financial statements.

AUTHORISED SHARE CAPITAL

The Directors recommend an increase in the Authorised Share Capital from Rs. 1 billion to Rs. 2 billion (200 million shares of Rs. 10/- each) to accommodate future capital increase either through rights or bonus issue.

STAFF

The Company's experienced and dedicated staff members play an important role its continuing success. Management places on record its appreciation for the tireless efforts made by all staff members in a difficult year.

FUTURE PROSPECTS

Economic slow down and rising funding cost remain the main concerns for the future. The Company intends to face these challenges by innovation and further diversification in its business base. However, the first half year of the new fiscal year will be adversely affected by the sharp increase in funding cost.

CORPORATE GOVERNANCE

The Board of Directors of the Company is responsible to the shareholders for the management of the Company. It acknowledges the responsibility for the system of sound internal controls and is committed to upholding the highest standards of Corporate Governance. Our Corporate ideology is based upon ORIX Group's compliance programme called EC 21 which is designed to ensure that ORIX strives to be an "Excellent Company" in the 21st Century. The Company derives its business conduct principles from the Group Operating Guidelines as given in EC 21. The Company has implemented provisions of the Code of Corporate Governance for the year ended June 30, 2008. Review Report on compliance with best practices of the Code of Corporate Governance by the statutory Auditors is annexed with this report.

DIRECTORS DECLARATION

The Directors confirm compliance with the Corporate and Financial Reporting Framework of the Code of Corporate Governance for the following:

- i. 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.
- ii. Proper books of accounts of the Company have been maintained.
- iii. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- iv. International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of financial statements.
- v. The system of internal control is sound in design and has been effectively implemented and monitored.
- vi. There are no significant doubts upon the Company's ability to continue as a going concern.
- vii. There has been no material departure from the best practices of Corporate Governance as detailed in the listing regulations.
- viii. Details of significant changes in the Company's operations during the year ended June 30, 2008 are stated in the Directors' Report.
- ix. Key operating and financial data for last six years in summarized form is given at page 34.
- x. The value of investments of recognised provident fund as at June 30, 2007 was Rs. 119.15 million (audited) and as at June 30, 2008 was Rs. 141.54 million (un-audited). The value of investments of the Company's recognised gratuity fund as at June 30, 2007 was Rs. 52.29 million (audited) and as at June 30, 2008 was Rs. 62.64 million (un-audited).
- xi. Except as disclosed in the pattern of shareholding, no trading in shares of the Company was carried out by the Directors, Chief Executive, Chief Financial Officer, Company Secretary and their spouses and minor children during the year.

During the year, seven meetings of the Board of Directors were held. The non-resident Directors, who were unable to attend the meetings, constantly followed the progress of the Company and proceedings of the Board.

Name of Director	Meetings Attended	Name of Director	Meetings Attended
Mr. Yuki Oshima (Non Resident)	1	Mr. Sohail Hashmi	7
Mr. Kunwar Idris	7	Mr. Naim Farooqui	7
Mr. Kiyoshi Fushitani (Non Resident)	0	Mr. Saeed Reza	7
Mr. Fumihiko Sato (Non Resident)	4	Mr. Humayun Murad	7

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

CREDIT RATING

Based on the results for the year ended June 30, 2007, the Pakistan Credit Rating Agency (PACRA) has maintained the Company's entity ratings of AA+ for long term senior unsecured creditors and the highest rating of A1+ for short term senior unsecured creditors.

The Company's Term Finance Certificates have been assigned ratings of AA+ by PACRA.

PARENT COMPANY

ORIX Corporation, Japan and its nominees hold 49.9% of the Company's equity.

AUDITORS

The present auditors, KPMG Taseer Hadi and Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The Audit Committee has recommended appointment of retiring auditors for the year ending June 30, 2009.

PATTERN OF SHAREHOLDING

The pattern of Shareholding as on June 30, 2008 is given at page 83.

The Board appreciates the support of regulatory authorities, shareholders, customers, financial institutions and business partners without which the Company's success could not have been possible and looks forward to their continuous support in future.

On behalf of the Board



Humayun Murad
Chief Executive

Dated: September 16, 2008

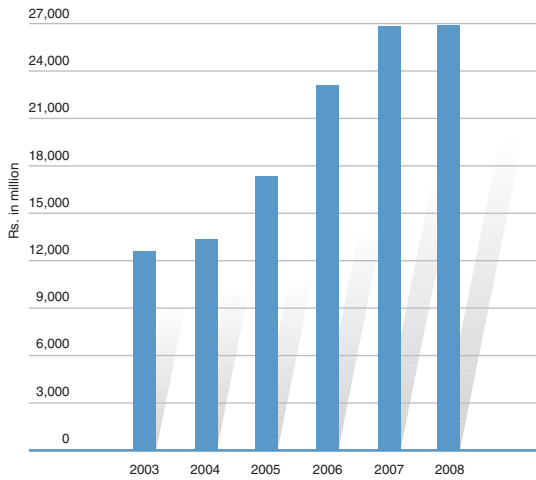
Six Years' Financial Summary

(Rupees in million)

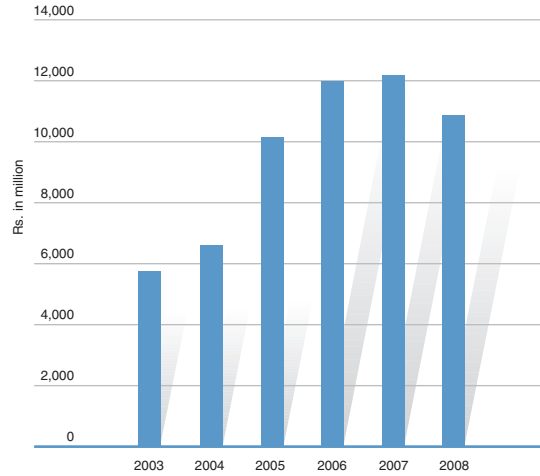
	2008	2007	2006	2005	2004	2003
Operating Results						
Total disbursement	10,789	12,142	11,932	10,105	6,544	5,679
Revenues	3,450	3,012	2,455	1,620	1,556	1,678
Lease revenue	2,955	2,726	2,102	1,481	1,476	1,604
Profit before tax	352	396	455	360	306	226
Profit after tax	267	334	396	321	266	209
Financial charges	2,133	1,806	1,285	583	519	802
Allowance for potential lease, instalment loan losses	105	51	52	80	63	71
Proposed dividend	208*	243	243	181*	181	151
Balance Sheet						
Gross lease receivables	26,815	26,665	22,951	17,326	13,288	12,472
Shareholders' equity	2,604	2,379	2,325	2,000	1,846	1,732
Fixed assets	832	751	767	684	659	598
Long term debts	14,676	9,348	7,500	5,210	4,539	4,799
Total borrowing	17,361	16,780	15,649	11,114	7,757	7,568
Long term investments	1,401	1,107	1,090	1,004	504	477
Financial Ratios						
Profit before tax	10.2%	13.1%	18.5%	23.1%	19.7%	13.5%
Proposed dividend	30.0%*	35.0%	35.0%	30.0%*	30.0%	25.0%
Return on assets	1.3%	1.7%	2.4%	2.7%	2.7%	2.3%
Return on equity	10.7%	14.2%	18.3%	16.7%	14.9%	15.8%
Income / expense ratio	1.1	1.2	1.2	1.3	1.3	1.2
Earnings per share (Rs.)	3.8	4.8	5.7	4.6	4.4	4.8
Price earning ratio	6.6	6.2	4.5	6.4	8.2	7.3
Market value per share (Rs.)	25.0	29.8	25.7	29.7	36.3	35.3
Book value per share (Rs.)	37.5	34.2	33.5	33.1	30.6	28.7
Debt / Equity ratio	6.7	7.1	6.7	5.6	4.2	4.4
Current ratio	2.4	1.1	1.0	1.0	1.3	1.5

* Includes cash and bonus

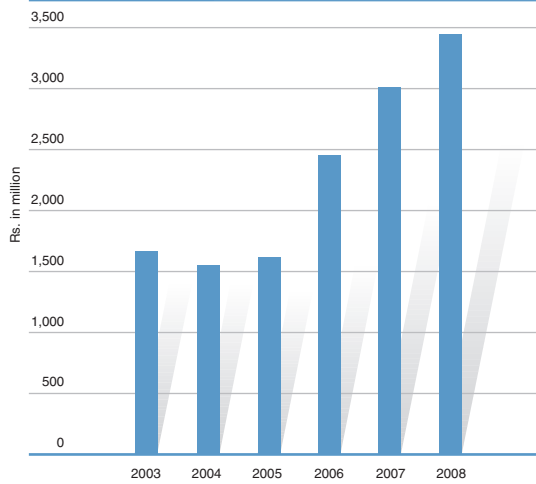
Gross lease receivables



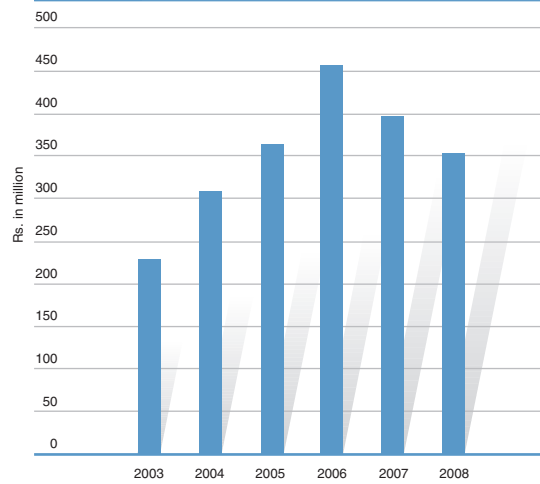
Disbursements



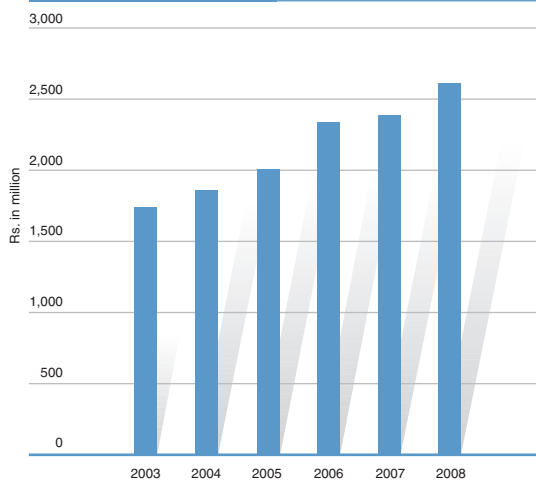
Revenues



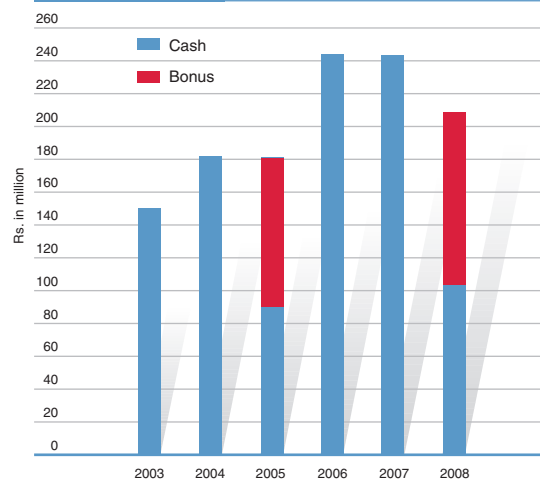
Profit before tax



Shareholders' equity



Dividends



Statement of Compliance with the Code of Corporate Governance

This statement of compliance is being presented to comply with the Code of Corporate Governance contained in 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 six non-executive Directors including one independent non-executive Director nominated by an insurance company.
2. Resident Directors have confirmed that none of them is serving as a Director in more than ten listed companies, including this Company.
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, no casual vacancy occurred in the Board of Directors.
5. The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the Directors and employees of the Company.
6. The Board has developed a vision / mission statement, overall corporate strategy, business conduct principles 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, have been taken by the Board.
8. In the absence of the Chairman, the meetings of the Board were presided over by a Director elected by the Board for this purpose. 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. The Directors are conversant of the relevant laws applicable to the Company, its policies and procedures and provisions of Memorandum and Articles of Association and are aware of their duties and responsibilities.
10. The Chief Financial Officer (CFO) was appointed prior to implementation of the Code of Corporate Governance. The Board has approved the appointments of Head of Internal Audit and Company Secretary. Future appointment, if any, on these positions including remuneration, terms and conditions, as determined by the CEO, will be referred to the Board for approval.
11. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13. 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.

14. The Company has complied with all the corporate and financial reporting requirements of the Code.

15. The Board has formed an Audit Committee, which comprises of three members, who are non-executive Directors.

16. The meetings of the Audit Committee were held at least once in every quarter prior to approval of interim and final results of the Company and as required by the Code, the terms of reference of the Committee have been formed and advised to the Committee for compliance.

17. The Board has set up an effective internal audit function, which comprises of qualified and experienced staff who are conversant with the policies and procedures of the Company and are involved in the internal audit function on a full time basis.

18. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, 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 partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

19. 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.

20. We confirm that all other material principles contained in the Code have been complied with as stated above.



Humayun Murad
Chief Executive

Dated: September 16, 2008

Business Conduct Principles

In accordance with good corporate governance practices, ORIX Corporation, Japan has identified Business Conduct Principles in the compliance manual of its EC 21 Programme which is aimed at making ORIX an 'Excellent Company' in the 21st Century. The Company has adopted the following Business Conduct Principles:

1. Satisfying client needs by offering products and services that create real and lasting value.
2. Abiding by the letter and spirit of laws, regulations, and social rules, and promoting free trade and competition.
3. Maintaining transparent and sound corporate management by providing full disclosure to the public.
4. Continuously improving our business by maintaining healthy corporate governance and sharing appropriate information with our shareholders and the market.
5. Respecting each employee as an individual, and providing him / her with opportunities and environments that encourage professional development.
6. Respecting the culture, customs and environment of each country and region in which we operate, and making genuine, meaningful contributions to their economies and societies.
7. Actively avoiding involvement or association with questionable organizations.
8. Being a good corporate citizen by maintaining proper and fair relationships with official bodies such as government, public administration offices and judicatory, and social organizations such as mass communication groups.

Statement of Value Added

	2008	%	2007	%
Revenues from operations	3,000,321,409		2,770,282,052	
Other income	285,911,564		111,906,157	
Share of profit of equity accounted undertaking	58,865,368		79,416,808	
	3,345,098,341		2,961,605,017	
Finance costs	1,967,285,020		1,463,386,765	
Direct cost of leases and services	398,205,140		356,410,873	
	2,365,490,160		1,819,797,638	
Value Added	979,608,181	100	1,141,807,379	100
Distributed as follows:				
To Employees				
As remuneration	270,818,489	27	215,955,430	19
To Government				
As taxes	85,000,000	9	61,500,000	5
To Investors				
As profit on investments	166,063,827	17	342,806,214	30
To Shareholders				
As cash dividend	104,217,719	11	243,174,691	21
Retained in the business				
As depreciation	191,116,305	19	187,466,670	17
As capital reserves and retained profits	162,391,841	17	90,904,374	8
Rupees	979,608,181	100	1,141,807,379	100



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Internet www.kpmg.com.pk

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

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of ORIX Leasing Pakistan Limited to comply with the Listing Regulation No. 37 of the Karachi Stock Exchange, Chapter XIII of the Listing Regulations of the Lahore Stock Exchange and Section 36 (Chapter XI) of the Listing Regulations of the Islamabad Stock Exchange where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance 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 of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of 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 have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

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 of Corporate Governance as applicable to the Company for the year ended 30 June 2008.

KPMG Taseer Hadi & Co.
Chartered Accountants

Karachi: September 16, 2008



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Auditors' Report to the Members

We have audited the annexed balance sheet of ORIX Leasing Pakistan Limited ("the Company") as at 30 June 2008 and the related profit and loss account, 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 auditing standards 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 account 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, 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 30 June 2008 and of the profit, 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 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The financial statements of the Company for the year ended 30 June 2007 were audited by another firm of Chartered Accountants who had expressed in their audit report an unqualified opinion.

KPMG Taseer Hadi & Co.
Chartered Accountants

Karachi: September 16, 2008

Balance Sheet

as at June 30 2008

	Note	2008	2007
ASSETS			
Non-current assets			
Property, plant and equipment	4	832,333,073	751,179,581
Net investment in finance leases and instalment loans	5	23,508,540,252	23,196,368,646
Current maturity		10,073,018,534	9,300,179,260
Allowance for potential lease and instalment loan losses	35	265,672,818	259,278,401
		10,338,691,352	9,559,457,661
		13,169,848,900	13,636,910,985
Long term investments	6	1,400,840,672	1,106,532,087
Long term finances and loans	7	458,501,570	416,123,339
Long term deposits		14,601,545	11,906,582
		15,876,125,760	15,922,652,574
Current assets			
Short term finances	8	357,313,398	388,171,171
Accrued return on investments and term loans	9	28,109,483	12,973,724
Current maturity of non-current assets	10	10,247,889,401	9,429,701,747
Short term investments	11	261,518,664	110,212,075
Advances and prepayments	12	102,990,169	76,250,728
Other receivables	13	657,880,889	93,332,541
Cash and bank balances	14	207,557,264	42,230,886
Assets classified as held for sale	15	75,595,216	61,804,582
		11,938,854,484	10,214,677,454
Total assets	Rupees	27,814,980,244	26,137,330,028
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
100,000,000 Ordinary shares of Rs. 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital	16	694,784,830	694,784,830
Capital reserves	17	1,156,821,229	1,103,321,229
Revenue reserves	17	752,262,319	580,774,879
		2,603,868,378	2,378,880,938
Non-current liabilities			
Long term finances	18	9,913,742,769	7,765,258,859
Long term loans	19	3,602,959,387	1,028,862,133
Long term certificates of investment	20	1,159,295,060	554,220,866
Long term deposits	21	5,195,174,425	4,948,458,821
Deferred taxation	22	304,170,750	277,170,750
		20,175,342,391	14,573,971,429
Current liabilities			
Trade and other payables	23	206,295,510	186,791,000
Accrued interest / mark-up on loans and term finances	24	627,501,158	347,965,907
Short term borrowings	25	5,654,931	1,258,429,605
Short term certificates of investment	26	43,075,880	2,712,535,118
Current maturity of non-current liabilities	27	4,140,269,867	4,673,294,813
Taxation - net		12,972,129	5,461,218
		5,035,769,475	9,184,477,661
Total equity and liabilities	Rupees	27,814,980,244	26,137,330,028
Commitments	28		

The annexed notes 1 to 45 form an integral part of these financial statements.



KUNWAR IDRIS
Director



HUMAYUN MURAD
Chief Executive

Profit and Loss Account for the year ended June 30, 2008

	Note	2008	2007
INCOME			
Income from operations			
Finance leases and instalment loans	29	2,419,310,621	2,225,664,192
Operating leases		535,433,558	500,544,636
Mark-up on term / factoring finance		150,745,830	94,960,908
		3,105,490,009	2,821,169,736
Income from other operating activities			
Other income - net	30	285,911,564	111,906,157
Share of profit of equity accounted undertakings	31	58,865,368	79,416,808
		344,776,932	191,322,965
		3,450,266,941	3,012,492,701
EXPENSES			
Finance costs	32	2,133,348,847	1,806,192,979
Administrative and general expenses	33	516,826,345	419,723,280
Direct cost of leases	34	343,313,589	340,109,693
		2,993,488,781	2,566,025,952
		456,778,160	446,466,749
Allowance for potential lease, instalment and other loan losses - net	35	105,168,600	50,887,684
Profit before tax		351,609,560	395,579,065
Taxation - Current	39	58,000,000	48,500,000
- Deferred		27,000,000	13,000,000
		85,000,000	61,500,000
Profit for the year		266,609,560	334,079,065
		Rupees	
Earnings per share - basic and diluted	43	3.84	4.81
		Rupees	

The annexed notes 1 to 45 form an integral part of these financial statements.



KUNWAR IDRIS
Director



HUMAYUN MURAD
Chief Executive

Cash Flow Statement

for the year ended June 30, 2008

	Note	2008	2007
Cash flows from operating activities			
Cash generated from operations	40	2,560,478,429	2,267,844,124
(Increase) / decrease in operating assets			
Investment in finance leases and instalment loans - net		(422,569,926)	(3,307,742,137)
Long term finances and loans - net		(113,341,221)	(114,164,694)
Short term finances		29,074,401	(87,248,951)
Long term deposits		(2,694,963)	666,598
Investment in operating lease assets		(208,577,634)	(107,203,033)
Proceeds from sale of operating lease assets		30,587,095	34,905,576
		(687,522,248)	(3,580,786,641)
Increase / (decrease) in operating liabilities			
Deposits from lessees - net		538,682,063	1,101,957,970
Mark-up paid		(1,604,155,370)	(1,350,266,215)
Profit paid on certificates of investment		(207,515,538)	(327,895,759)
		(1,272,988,845)	(576,204,004)
Net cash from / (used in) operating activities before income tax		599,967,336	(1,889,146,521)
Income tax paid		(50,489,089)	(57,222,625)
Net cash from / (used in) operating activities		549,478,247	(1,946,369,146)
Cash flows from investing activities			
Capital expenditure incurred		(109,494,610)	(108,112,420)
Proceeds from disposal of assets - own use		22,354,069	10,517,486
Acquisition of interest in equity accounted undertaking		(135,000,000)	-
Purchase of right shares of equity accounted undertaking		(108,900,000)	-
Proceed against renunciation of right shares of equity accounted undertaking		98,459,418	-
Investments - net		(49,401,182)	85,706,781
Dividends received		70,744,652	50,853,662
Interest received		18,194,644	18,776,037
Net cash (used in) / from investing activities		(193,043,009)	57,741,546
Cash flows from financing activities			
Proceed from issue of TFCs		5,000,000,000	2,500,000,000
Proceed from long term loans		5,200,216,273	2,918,764,014
Short term borrowings		(790,000,000)	790,000,000
Certificates of investment (redeemed) / issued - net		(2,142,412,049)	(367,580,082)
Repayment of long term loans and finances		(6,753,291,752)	(4,911,067,534)
Dividend paid		(242,846,658)	(242,812,937)
Net cash from financing activities		271,665,814	687,303,461
Net increase / (decrease) in cash and cash equivalents		628,101,052	(1,201,324,139)
Cash and cash equivalents at beginning of the year		(426,198,719)	775,125,420
Cash and cash equivalents at end of the year	Rupees 41	201,902,333	(426,198,719)

The annexed notes 1 to 45 form an integral part of these financial statements.



KUNWAR IDRIS
Director



HUMAYUN MURAD
Chief Executive

Statement of Changes in Equity

for the year ended June 30, 2008

	Capital Reserves					Revenue Reserves				Total shareholders' equity
	Issued, subscribed and paid-up capital	Share premium	Statutory reserve	General reserve	Unappropriated profit	Unrealised (losses) / gains on investment	Hedging reserve	Foreign currency translation reserve	Share of associates' reserves	
Balance as at 01 July 2006	694,784,830	552,821,229	483,500,000	60,000,000	498,446,477	(1,283,201)	-	44,975,002	(8,614,666)	2,324,629,671
Exchange difference arising on translation of foreign associates	-	-	-	-	-	-	-	8,398,901	-	8,398,901
Unrealised gain due to change in fair value of available for sale securities - net	-	-	-	-	-	11,334,454	-	-	4,806,328	16,140,782
Loss arising on deemed disposal of associate	-	-	-	-	(10,101,536)	-	-	-	-	(10,101,536)
Net loss on interest rate swap	-	-	-	-	-	-	(49,418,292)	-	(1,672,962)	(51,091,254)
Net income / (loss) recognised directly in equity	-	-	-	-	(10,101,536)	11,334,454	(49,418,292)	8,398,901	3,133,366	(36,653,107)
Net profit for the year	-	-	-	-	334,079,065	-	-	-	-	334,079,065
Total recognised income and expense for the year	-	-	-	-	323,977,529	11,334,454	(49,418,292)	8,398,901	3,133,366	297,425,958
Transfer to general reserve	-	-	-	150,000,000	(150,000,000)	-	-	-	-	-
Cash dividend @ Rs. 3.50 per ordinary share of Rs.10 each declared on 08 September 2006	-	-	-	-	(243,174,691)	-	-	-	-	(243,174,691)
Transfer to statutory reserve	-	-	67,000,000	-	(67,000,000)	-	-	-	-	-
Balance as at 01 July 2007	694,784,830	552,821,229	550,500,000	210,000,000	362,249,315	10,051,253	(49,418,292)	53,373,903	(5,481,300)	2,378,880,938
Exchange difference arising on translation of foreign associates - net	-	-	-	-	-	-	-	116,535,663	-	116,535,663
Unrealised loss due to change in fair value of available for sale securities - net	-	-	-	-	-	(17,990,711)	-	-	(10,433,507)	(28,424,218)
Net gain on interest rate swap	-	-	-	-	-	-	111,768,164	-	1,672,962	113,441,126
Net income / (loss) recognised directly in equity	-	-	-	-	-	(17,990,711)	111,768,164	116,535,663	(8,760,545)	201,552,571
Net profit for the year	-	-	-	-	266,609,560	-	-	-	-	266,609,560
Total recognised income and expense for the year	-	-	-	-	266,609,560	(17,990,711)	111,768,164	116,535,663	(8,760,545)	468,162,131
Cash dividend @ Rs.3.50 per ordinary share of Rs.10 each declared on 22 September 2007	-	-	-	-	(243,174,691)	-	-	-	-	(243,174,691)
Transfer to statutory reserve	-	-	53,500,000	-	(53,500,000)	-	-	-	-	-
Balance as at 30 June 2008 Rupees	694,784,830	552,821,229	604,000,000	210,000,000	332,184,184	(7,939,458)	62,349,872	169,909,566	(14,241,845)	2,603,868,378

The annexed notes 1 to 45 form an integral part of these financial statements.



KUNWAR IDRIS
Director



HUMAYUN MURAD
Chief Executive

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 23 December 1987. The Company is a subsidiary of ORIX Corporation, Japan. The Company is listed on Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the Company is situated at Overseas Investors Chamber of Commerce Building, Talpur Road, Karachi. The Company is licensed to carry out leasing business as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan, previously described under SRO 585 (1)/87 dated July 13, 1987 issued by the Ministry of Finance, Government of Pakistan.

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. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (NBFC Regulations), except for the disclosure requirements of Clause 3C of Part II of the Fourth Schedule of the Companies Ordinance, 1984 in respect of which the Securities and Exchange Commission of Pakistan (SECP) has given an exemption to all NBFCs vide their letter No.SC/NBFC-1/R/2005, dated 29 August 2005. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, NBFC Rules and NBFC Regulations shall prevail.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for the following:

- 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.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the Company's functional currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupee.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

In the process of applying the Company's accounting policies, management has made the following estimates and judgements 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, instalment and other loan losses (Note 3.3);
- (c) classification of assets classified as held for sale (Note 3.4);

- (d) classification of investments (Note 3.5);
- (e) valuation of derivatives (Note 3.6);
- (f) provisions (Note 3.14);
- (g) recognition of taxation and deferred tax (Note 3.16);
- (h) accounting for post employment benefits (Note 3.19); and
- (i) impairment (Note 3.21).

2.5 New accounting standards and IFRIC interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards are only effective for accounting periods beginning on or after 1 July 2008 and are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain increased disclosures in certain cases:

- Revised IAS 1 - Presentation of Financial Statements;
- Revised IAS 23 - Borrowing Costs;
- IAS 29 - Financial Reporting in Hyperinflationary Economies;
- IAS 32 (amendment) - Financial Instruments: Presentation and Consequential Amendment to IAS 1 - Presentation of Financial Statements;
- IFRS 2 (amendment) - Share-based Payments;
- IFRS 3 (amendment) - Business Combinations and Consequential Amendments to IAS 27 - Consolidated and Separate Financial Statements, IAS 28-Investment in Associates and IAS 31 - Interest in Joint Ventures;
- IFRS 7 - Financial Instruments: Disclosures;
- IFRS 8 - Operating Segments;
- IFRIC 12 - Service Concession Arrangements;
- IFRIC 13 - Customer Loyalty Programmes;
- IFRIC 14 - IAS 19 - The Limit on Defined Benefit Asset, Minimum Funding Requirements and their interaction;
- IFRIC 15 - Agreement for the Construction of Real Estate; and
- IFRIC 16 - Hedge of Net Investment in a Foreign Operation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

Operating fixed assets

These are stated at cost less accumulated depreciation and impairment, if any. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. Depreciation is charged to income applying the straight line method over its estimated useful life, at the rates specified in note 4.1 and 4.2 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 cost of leasehold land is amortised over its lease term. In respect of additions and disposals of assets, depreciation is charged from the month in which asset is available for use and the Company continues depreciating it until it is derecognized i.e. up to the month preceding the disposal, even if during that period the asset is idle.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account in the year the asset is derecognised.

The assets residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

Change in estimate

During the current year, the Company changed its estimate by reassessing the useful lives of computers and communication equipment by changing the rate of depreciation to 33% relating to computer and to 20% relating to communication equipment. Until last year, the Company was charging depreciation at the rate of 15% on both computers and communication equipment.

Further, the Company also reassessed residual value of its generators from 35% to 10% and assessed residual value of communication equipment at 20% of cost. Until last year residual value in respect of communication equipment was assessed as nil.

Had the estimate in respect of useful lives and residual value not been changed, the profit for the year would have been higher by Rs. 9.4 million and carrying amount of the asset would have been higher by the same amount.

Capital work-in-progress

Capital work-in-progress is stated at cost less impairment in value, if any. It consists of expenditure incurred and advances made in respect of operating fixed assets in the course of their erection, installation and acquisition.

3.2 Net investment in finance leases and instalment loans

Leases in which the Company transfers substantially all the risk and rewards incidental to the ownership of an asset to lessees are classified as finance leases. A receivable is recognized at an amount equal to the present value of the lease payments, including any guaranteed residual value and unamortized initial direct costs which are included in the financial statements as “net investment in finance leases and instalment loans”.

3.3 Allowance for potential lease, instalment and other loan losses

The allowance for potential lease, instalment and other loan losses is maintained at a level which, in the judgement of management, is adequate to provide for potential losses on lease, instalment and other loan portfolio which can be reasonably anticipated. The allowance is increased by provisions charged to income and is decreased by charge offs, net of recoveries.

Developing the allowance for potential lease and instalment losses is subject to numerous judgements and estimates. In evaluating the adequacy of allowance, management considers various factors, including the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the nature and characteristics of the obligor, current economic conditions, credit concentrations or deterioration in pledged collateral, historical loss experience, delinquencies and present value of future cash flows expected to be received. Lease, instalment and other loan receivables are charged off, when in the opinion of management, the likelihood of any future collection is believed to be minimal. Allowance for other loan losses is subject to requirements of the aforementioned Rules.

3.4 Assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition within one year of the date of its classification as assets held for sale.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Gain / loss on sale of assets classified as held for sale is recognized in profit and loss account.

3.5 Investments

Investment at fair value through profit or loss

A non-derivative financial asset is classified as, at fair value through profit or loss if it is held for trading or is designated as such, upon initial recognition. Investments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value.

Upon initial recognition, attributable transaction cost are recognised in profit or loss when incurred. Investments at fair value through profit or loss are remeasured at fair value, and changes therein are recognised in profit or loss.

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 intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other investments that are intended to be held-to-maturity are recognised initially at cost plus attributable transaction costs subsequently it is measured at amortised cost. The amortised cost is the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

Premiums and discounts on held-to-maturity investments are amortised using the effective interest rate method and taken to income from investments.

Available-for-sale

Investments which are intended to be held for an indefinite period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available-for-sale.

All investments are initially recognised at cost, being the fair value of the consideration given including acquisition charges.

After initial recognition, investments 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 until the investment is sold, derecognised or is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in income.

For investments 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 investments, 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.

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.

Financial statements of the associates for the period ended 30 June 2008 have been used in applying the equity method as the reporting dates of the associates and the Company are not identical. Associates' accounting policies conform to those used by the Company for like transactions and events in similar circumstances.

3.6 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, attributable transaction costs are recognised in profit and loss 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) fair value hedge; or
- (b) 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 derivative hedging instruments that are designated and qualify as fair value hedges are recognised in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss attributable to the hedged risk is recognised in profit or 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 or 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 hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognized immediately in the profit or loss.

If the hedging item no longer meets the criteria for hedge accounting, 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.

3.7 Securities under repurchase / reverse repurchase agreements

Transactions of repurchase / reverse repurchase of investment securities are entered into at contracted rates for specified periods of time and are accounted for as follows:

Repurchase agreement

Investments sold with a simultaneous commitment to repurchase at a specified future date (Repo) continue to be recognised in the balance sheet and are measured in accordance with the accounting policies for investments. Amounts received under these agreements are recorded as repurchase agreement borrowings. The difference between sale and repurchase price is accrued as mark-up / interest expense on borrowings over the life of the repo agreement.

Reverse repurchase agreement

Investment purchased with a corresponding commitment to resell at a specified future date (Reverse repo) are not recognised in the balance sheet. Amounts paid under these obligations are included in funds placements. The difference between purchase and resale price is accrued as return from fund placements over the life of the reverse repo agreement.

3.8 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 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.

3.9 Financial instruments

All the 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 (for regular way purchases and sales of financial instruments refer to note 3.11).

3.10 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is only offset and the net amount is reported in the balance sheet, when there is a legal enforceable right to set off the recognised amount and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses arising from such assets and liabilities are also accordingly offset.

3.11 Settlement date accounting

All “regular way” purchases and sales of financial assets are recognised on the settlement date, i.e. the date on which the asset is delivered to or by the Company. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the timeframe generally established by regulation or convention in the market.

3.12 Foreign currency transactions

Foreign currency transactions are translated into Pak 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. 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.

3.13 Certificates of investments

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

3.14 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.

3.15 Dividend

Dividend is recognised as a liability in the period in which it is declared.

3.16 Taxation

Current

Provision for current taxation is based on taxable income determined under the provisions of prevalent tax law, whereby lease rentals received and receivable by the Company are deemed to be income as adjusted in accordance with the tax law. The provision is made at the current rate of taxation of the Income Tax Ordinance, 2001 (the IT Ordinance), as applicable.

Deferred

Deferred tax is provided using the liability method on all temporary differences at the balance sheet date, between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that the deductible temporary differences will reverse in the future and sufficient taxable income will be available against which the deductible temporary differences and unused tax losses can be utilised.

The carrying amount of all deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or subsequently enacted at the balance sheet date.

3.17 Revenue recognition

Finance leases and instalment loans

The Company follows the 'financing method' in accounting for recognition of finance lease and instalment loan income. At the commencement of a lease, the total unearned finance income i.e. the excess of aggregate instalment contract receivables plus residual value over the cost of the leased asset is amortized over the term of the lease, applying the annuity method, so as to produce a systematic return on the net investment in finance leases and instalment loans. Initial direct costs are deferred and amortized over the lease term as a yield adjustment.

Revenue from finance leases and instalment loans 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.

Operating lease income

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

Return on investments

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

Dividend income is recognised when a right to receive dividend is established i.e. the book closure date of the investee company declaring dividend.

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

Factoring income

Factoring income is recognised on an accrual basis for the number of days outstanding on invoices factored.

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 Rules on which income is recognised on receipt basis.

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

Others

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

3.18 Cash and cash equivalents

Cash and cash equivalents comprise of 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.

3.19 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. Equal monthly contributions to the Fund are made both by the Company and by the employees, at the rate of 10% of basic pay.

(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 the trustees and contributions therein are made in accordance with the actuarial recommendations. The valuation in this regard is carried out at each year end, using the Projected Unit Credit Method for the valuation of the scheme. Actuarial gains and losses are recognized based on actuarial recommendations.

Actuarial gains and losses are recognised as income or expense when the cumulative unrecognised actuarial gains or losses at the end of the previous reporting period exceeds 10% of the higher of present value of defined benefit obligation and the fair value of plan assets at that date. These gains or losses are recognised over the expected average remaining working lives of the employees participating in the plan.

3.20 Employees compensated absences

The Company provides for unavailed compensated absences for all its permanent employees. A provision is made for the estimated liability as a result of services rendered by employees up to the balance sheet date.

3.21 Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or a group of assets. If any such indication exists, the recoverable amount of that asset is estimated and impairment losses are recognised in the profit and loss account.

3.22 Transactions with related parties

Transactions between the Company and its related parties are carried out at an arm's length basis. Prices are determined in accordance with the methods prescribed in the Companies Ordinance, 1984.

3.23 Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's primary format for segment reporting is based on business segments.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	2008	2007
Fixed assets - own use	4.1	200,729,172	185,896,040
Fixed assets - on operating lease	4.2	580,148,923	538,656,902
Capital work-in-progress	4.3	51,454,978	26,626,639
	Rupees	832,333,073	751,179,581

4.1 Fixed assets - own use

Description	Cost			Accumulated depreciation			Net book value		Rate (%)
	As at July 1, 2007	Additions / (disposals) / transfer*	As at June 30, 2008	As at July 1, 2007	For the year / (on disposals) / transfer*	As at June 30, 2008	As at June 30, 2008		
Leasehold land	21,112,800	–	21,112,800	1,552,034	273,906	1,825,940	19,286,860	77 years	
Leasehold improvements	92,718,835	6,677,094 (1,746,385)	97,649,544	59,556,046	10,198,148 (1,232,192)	68,522,002	29,127,542	15	
Furniture, fittings and office equipment	73,435,021	11,397,583 (4,649,569) 2,520,000*	82,703,035	42,945,018	9,959,145 (3,834,835) 1,458,769*	50,528,097	32,174,938	15 - 25	
Vehicles	131,295,830	58,856,485 (36,638,585) (2,750,000)**	150,763,730	41,855,293	20,958,396 (18,579,797) (412,500)**	43,821,392	106,942,338	20	
Computers and accessories	75,302,299	7,735,109 (1,571,660)	81,465,748	62,060,354	7,599,093 (1,391,193)	68,268,254	13,197,494	33	
Rupees	393,864,785	84,666,271 (44,606,199) 2,520,000* (2,750,000)**	433,694,857	207,968,745	48,988,688 (25,038,017) 1,458,769* (412,500)**	232,965,685	200,729,172		

* Represent assets transferred to own assets from operating lease assets.

** Represent assets transferred to lease assets from own use assets.

Description	Cost			Accumulated depreciation			Net book value		Rate (%)
	As at July 1, 2006	Additions / (disposals) / transfer*	As at June 30, 2007	As at July 1, 2006	For the year / (on disposals) / transfer*	As at June 30, 2007	As at June 30, 2007		
Leasehold land	21,112,800	–	21,112,800	1,278,146	273,888	1,552,034	19,560,766	77 years	
Leasehold improvements	80,208,995	12,509,840	92,718,835	50,233,911	9,322,135	59,556,046	33,162,789	15	
Furniture, fittings and office equipment	61,055,398	13,835,959 (1,456,336)	73,435,021	37,980,908	6,077,562 (1,113,452)	42,945,018	30,490,003	15 - 25	
Vehicles	112,357,454	45,549,954 (18,175,930) (8,435,648)*	131,295,830	38,937,922	17,102,701 (9,646,294) (4,539,036)*	41,855,293	89,440,537	20	
Computers and accessories	64,934,091	10,368,208	75,302,299	54,167,256	7,893,098	62,060,354	13,241,945	15	
Rupees	339,668,738	82,263,961 (19,632,266) (8,435,648)*	393,864,785	182,598,143	40,669,384 (10,759,746) (4,539,036)*	207,968,745	185,896,040		

* Represents assets transferred to lease assets from own use assets.

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

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of buyers
Leasehold improvement	1,299,600	796,005	503,595	845,362	Insurance Claim	Adamjee Insurance Co. Ltd., Karachi
Book value not exceeding Rs. 50,000 each	446,785	436,187	10,598	17,790	Insurance Claim	Adamjee Insurance Co. Ltd., Karachi
	1,746,385	1,232,192	514,193	863,152		
Furniture, fittings and office equipment	100,750	19,591	81,159	192,460	Insurance Claim	Adamjee Insurance Co. Ltd., Karachi
	75,000	22,500	52,500	52,500	Company Policy	Adnan A.Khan, Employee
Book value not exceeding Rs. 50,000 each	4,473,819	3,792,744	681,075	692,042	Various	Various
	4,649,569	3,834,835	814,734	937,002		
Vehicles						
	955,000	716,223	238,777	276,000	Company Policy	Mr. Nadeem Junaidy, Executive
	955,000	620,750	334,250	416,050	Company Policy	Mr. Umar Farooq, Executive
	955,000	716,250	238,750	262,500	Company Policy	Ms. Saba Ahmed, Executive
	955,000	620,750	334,250	360,500	Company Policy	Mr. Shakeb Murad, Executive
	884,500	265,350	619,150	620,000	Company Policy	Mr. Adnan A Khan, Executive
	792,200	633,760	158,440	464,580	Company Policy	Mr. Qamar Ul Islam, Executive
	735,000	347,464	387,536	369,500	Company Policy	Mr. Muhammad Mateen, Executive
	735,000	551,250	183,750	247,500	Company Policy	Mr. Muhammad Saleem, Executive
	735,000	551,250	183,750	225,000	Company Policy	Mr. Shakeel A Qureshi, Executive
	555,000	234,694	320,306	426,000	Company Policy	Mr. Yasun Mirza, Executive
	560,000	307,125	252,875	326,500	Company Policy	Mr. Irfan Ur Rehman, Employee
	560,000	448,000	112,000	243,500	Company Policy	Mr. Ziad Shehbaz, Employee
	395,000	171,167	223,833	266,916	Company Policy	Mr. Imran Habib, Employee
	395,000	72,417	322,583	331,291	Company Policy	Mr. Shahid Hussain, Employee
	395,000	190,917	204,083	257,000	Company Policy	Mr. Umar Farooq, Employee
	390,000	227,500	162,500	228,750	Company Policy	Mr. Amjad ullah Kakakhel, Employee
	380,000	240,667	139,333	174,500	Company Policy	Mr. Mirza Naeem Ahmed, Employee
	380,000	285,000	95,000	128,250	Company Policy	Mr. Qamar Ul Hasan, Employee
	379,000	264,304	114,696	56,850	Company Policy	Mr. Munir Hussain Duggal, Employee
	379,000	322,150	56,850	56,850	Company Policy	Mr. Syed Urooj Hasan, Employee
	379,000	328,467	50,533	50,533	Company Policy	Ms. Farhat Ahmed, Employee
	376,000	269,467	106,533	142,400	Company Policy	Mr. Sarosh Khushbakht, Employee
	376,000	282,000	94,000	94,000	Company Policy	Mr. Tahir Hameed, Employee
	374,000	317,900	56,100	56,100	Company Policy	Mr. Muhammad Jameel, Employee
	1,376,000	181,632	1,194,368	1,250,000	Insurance Claim	Adamjee Insurance Co. Ltd.
	497,000	24,850	472,150	485,000	Insurance Claim	EFU Insurance Co. Ltd. Karachi
	395,000	85,583	309,417	365,000	Insurance Claim	EFU Insurance Co. Ltd. Karachi
	390,000	126,141	263,859	345,000	Insurance Claim	EFU Insurance Co. Ltd. Karachi
	7,195,000	5,051,456	2,143,544	2,200,000	Negotiation	Mr. Khurshed Agha, Karachi
	1,229,000	413,198	815,802	825,000	Negotiation	Mr. Muzamil Shah, Islamabad
	898,500	581,220	317,280	395,000	Negotiation	Mr. Iqbal Mahmood, Karachi
	846,000	142,128	703,872	705,000	Negotiation	Mr. Tahir Manzoor, Karachi
	836,000	376,200	459,800	615,000	Negotiation	Mr. Peshotan H Boman, Multan Cantt
	809,000	254,161	554,839	570,000	Negotiation	Mr. Khalid Mehmood, Lahore
	793,200	409,820	383,380	550,000	Negotiation	Mr. Ghulam Sarwar, Mian Channun
	560,000	74,667	485,333	511,000	Negotiation	Mr. S.A Kabir Khusrroo, Karachi
	560,000	121,333	438,667	485,000	Negotiation	Mr. Muhammad Fayaz Ahmad, Lahore
	479,000	55,883	423,117	440,000	Negotiation	Mr. Abdul Kareem Khan, Karachi
	479,000	60,623	418,377	445,000	Negotiation	Mr. Yousuf Khan, Karachi
	479,000	67,360	411,640	445,000	Negotiation	Mr. Shahid Ali, Karachi
	395,000	46,083	348,917	360,000	Negotiation	Ali Bhai Motors, Karachi
	395,000	59,249	335,751	345,000	Negotiation	Honda Quaideen Motors, Karachi
	395,000	59,249	335,751	345,000	Negotiation	Honda Quaideen Motors, Karachi
	395,000	59,249	335,751	340,000	Negotiation	Honda Quaideen Motors, Karachi
	395,000	65,833	329,167	352,000	Negotiation	Honda Quaideen Motors, Karachi
	395,000	66,656	328,344	330,000	Negotiation	Honda Quaideen Motors, Karachi
	390,000	65,000	325,000	342,000	Negotiation	Honda Quaideen Motors, Karachi
	390,000	87,750	302,250	330,000	Negotiation	Honda Quaideen Motors, Karachi
	377,835	207,809	170,026	160,000	Negotiation	Mr. Muhammad Munir, Peshawar
	333,850	183,618	150,232	170,000	Negotiation	Mr. Rana Muhammad Zahid, Lahore
Book value not exceeding Rs. 50,000 each	980,500	668,224	312,276	370,950	Various	Various
	36,638,585	18,579,797	18,058,788	20,157,020		
Computers and accessories	135,000	72,000	63,000	31,743	Insurance Claim	Adamjee Insurance Co. Ltd., Karachi
Book value not exceeding Rs. 50,000 each	1,436,660	1,319,193	117,467	365,152	Various	Various
	1,571,660	1,391,193	180,467	396,895		
Rupees	44,606,199	25,038,017	19,568,182	22,354,069		

4.2 Fixed assets - on operating lease

Description	Cost			Accumulated depreciation			Net book value		Rate (%)
	As at July 1, 2007	Additions / (disposals) / transfer*	As at June 30, 2008	As at July 1, 2007	For the year / (on disposals) / transfer*	As at June 30, 2008	As at June 30, 2008		
Generators	543,048,313	141,866,872 (60,315,446) (2,520,000)*	622,079,739	207,163,893	72,947,261 (44,482,443) (1,458,769)*	234,169,942	387,909,797	numbers of hours operated	
Compressors and machinery	18,777,880	– (10,744,346)	8,033,534	9,045,283	2,341,801 (5,000,441)	6,386,643	1,646,891	15 - 20	
Communication equipment	397,486,329	50,269,362 (5,784,165)	441,971,526	205,591,658	64,503,053 (3,464,308)	266,630,403	175,341,123	15 - 20	
Office equipment	17,014,654	–	17,014,654	17,014,534	–	17,014,534	120	33	
Vehicles	4,041,603	16,441,400	20,483,003	2,896,509	2,335,502	5,232,011	15,250,992	15	
Rupees	980,368,779	208,577,634 (76,843,957) (2,520,000)*	1,109,582,456	441,711,877	142,127,617 (52,947,192) (1,458,769)*	529,433,533	580,148,923		

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

Description	Cost			Accumulated depreciation			Net book value		Rate (%)
	As at July 1, 2006	Additions / (disposals) / transfer*	As at June 30, 2007	As at July 1, 2006	For the year / (on disposals) / transfer*	As at June 30, 2007	As at June 30, 2007		
Generators	521,505,886	60,511,125 (39,429,053) 460,355*	543,048,313	155,831,422	74,146,498 (22,814,027) –	207,163,893	335,884,420	numbers of hours operated	
Compressors and machinery	22,571,240	– (3,793,360)	18,777,880	6,628,448	3,153,780 (736,945)	9,045,283	9,732,597	15 - 20	
Communication equipment	464,284,043	46,691,908 (113,489,622)	397,486,329	245,080,882	68,670,539 (108,159,763)	205,591,658	191,894,671	15 - 20	
Office equipment	17,014,654	–	17,014,654	17,014,534	–	17,014,534	120	33	
Vehicles	14,403,850	– (10,362,247)	4,041,603	6,421,409	826,469 (4,351,369)	2,896,509	1,145,094	15	
Rupees	1,039,779,673	107,203,033 (167,074,282) 460,355*	980,368,779	430,976,695	146,797,286 (136,062,104) –	441,711,877	538,656,902		

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

4.2.1 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						
	25,114,101	22,428,426	2,685,675	2,685,675	Negotiation	Reshmatex Limited, Lahore
	3,920,100	3,718,303	201,797	391,042	Negotiation	Aamir Mushtaq, Karachi
	3,620,000	1,056,732	2,563,268	2,290,381	Negotiation	Swam Enterprises, Karachi
	3,472,000	2,244,653	1,227,347	2,378,353	Negotiation	Aamir Mushtaq, Karachi
	3,231,151	882,207	2,348,944	2,098,874	Negotiation	Swam Enterprises, Karachi
	3,231,151	980,835	2,250,316	2,010,746	Negotiation	Swam Enterprises, Karachi
	3,142,959	2,481,726	661,233	1,200,000	Negotiation	Rehbar agency, Karachi
	2,957,959	2,059,757	898,202	1,740,536	Negotiation	Aamir Mushtaq, Karachi
	2,605,670	1,798,017	807,653	1,565,070	Negotiation	Aamir Mushtaq, Karachi
	2,450,000	2,186,980	263,020	741,095	Negotiation	Swam Enterprises, Karachi
	2,450,000	1,753,343	696,657	1,962,926	Negotiation	Swam Enterprises, Karachi
	2,110,000	1,539,783	570,217	1,606,664	Negotiation	Swam Enterprises, Karachi
	1,025,000	799,167	225,833	636,315	Negotiation	Swam Enterprises, Karachi
	525,000	525,000	-	295,500	Negotiation	Syed Mazhar Iqbal, Karachi
	460,355	27,514	432,841	459,800	Insurance Claim	Adamjee Insurance, Karachi
	60,315,446	44,482,443	15,833,003	22,062,977		
Compressors and machinery						
	687,119	278,283	408,836	411,320	Negotiation	Chaudhry Zulfikar, Gujranwala
	687,119	278,283	408,836	330,470	Negotiation	Mohammad Sarwar, Gujranwala
	687,119	278,283	408,836	348,978	Negotiation	Sohail Ahmed Malhi, Gujranwala
	687,119	278,283	408,836	348,978	Negotiation	Sohail Ahmed Malhi, Gujranwala
	687,119	278,283	408,836	348,978	Negotiation	Sohail Ahmed Malhi, Gujranwala
	687,119	278,283	408,836	348,978	Negotiation	Sohail Ahmed Malhi, Gujranwala
	687,119	278,283	408,836	348,978	Negotiation	Sohail Ahmed Malhi, Gujranwala
	687,119	278,283	408,836	348,978	Negotiation	Sohail Ahmed Malhi, Gujranwala
	687,119	278,283	408,836	348,978	Negotiation	Sohail Ahmed Malhi, Gujranwala
	687,119	278,283	408,836	348,978	Negotiation	Sohail Ahmed Malhi, Gujranwala
	687,119	278,283	408,836	348,978	Negotiation	Sohail Ahmed Malhi, Gujranwala
	687,119	278,283	408,836	348,978	Negotiation	Sohail Ahmed Malhi, Gujranwala
	626,935	366,757	260,178	261,758	Negotiation	Chaudhry Zulfikar, Gujranwala
	626,935	366,757	260,178	261,758	Negotiation	Chaudhry Zulfikar, Gujranwala
	626,935	366,757	260,178	365,091	Negotiation	Sajjad Ali, Gujranwala
	626,935	366,757	260,178	251,787	Negotiation	Jaffer Brothers Ltd, Karachi
	626,935	366,757	260,178	222,085	Negotiation	Sohail Ahmed Malhi, Gujranwala
	127,000	61,383	65,617	56,010	Negotiation	Sohail Ahmed Malhi, Gujranwala
	127,000	61,383	65,617	56,010	Negotiation	Sohail Ahmed Malhi, Gujranwala
	127,000	61,383	65,617	56,010	Negotiation	Sohail Ahmed Malhi, Gujranwala
	127,000	61,383	65,617	56,010	Negotiation	Sohail Ahmed Malhi, Gujranwala
	127,000	61,383	65,617	66,016	Negotiation	Chaudhry Zulfikar, Gujranwala
Book value not exceeding Rs. 50,000 each						
	230,481	138,294	92,187	78,691	Negotiation	Various
	10,744,346	5,000,441	5,743,905	5,208,836		
Communication equipment						
	420,328	346,771	73,557	121,139	Insurance Claim	Adamjee Insurance, Karachi
	345,856	103,757	242,099	398,706	Insurance Claim	Adamjee Insurance, Karachi
	325,664	252,390	73,274	120,673	Insurance Claim	Adamjee Insurance, Karachi
	211,043	44,847	166,196	273,704	Insurance Claim	Adamjee Insurance, Karachi
	174,064	36,989	137,075	225,745	Insurance Claim	Adamjee Insurance, Karachi
Book value not exceeding Rs. 50,000 each						
	4,307,210	2,679,554	1,627,656	2,175,317	Various	Various
	5,784,165	3,464,308	2,319,857	3,315,284		
Rupees	76,843,957	52,947,192	23,896,765	30,587,097		

4.3 Capital work-in-progress

	2008	2007
Civil works		
Opening balance	26,626,639	778,180
Additions during the year	24,828,339	25,848,459
Rupees	51,454,978	26,626,639

4.3.1 This represents expenditure incurred on construction of Company's office building at Korangi Industrial Area, Karachi.

5. NET INVESTMENT IN FINANCE LEASES AND INSTALMENT LOANS

	Note	2008	2007
Instalment contract receivables		20,014,849,349	20,407,304,664
Residual value		6,738,568,027	6,207,174,742
Initial direct costs		61,844,724	50,962,777
	5.1	26,815,262,100	26,665,442,183
Less: Unearned finance income		3,306,721,848	3,469,073,537
Rupees		23,508,540,252	23,196,368,646

5.1 Details of investment in finance leases

	Gross investment in finance leases and instalment loans		Present value of investment in finance leases and instalment loans	
	2008	2007	2008	2007
Less than one year	12,011,542,740	11,117,472,832	10,073,018,534	9,300,179,260
One to five years	14,803,719,360	15,547,969,351	13,435,521,718	13,896,189,386
Rupees	26,815,262,100	26,665,442,183	23,508,540,252	23,196,368,646

5.2 There are no instalment contract receivables over five years. The Company's implicit rate of return on leases and instalment loans ranges between 10.00% and 20.00% (2007: 10.00% and 20.00%) per annum. These are secured against security deposits generally upto 20% of the cost of leased asset, in case of finance leases and hypothecation of assets in case of instalment contracts.

5.3 Based on the NBFC Rules, the aggregate net exposures in finance leases against which income suspension is required amounted to Rs.964 million (2007: Rs.722 million).

6. LONG TERM INVESTMENTS

	Note	2008	2007
Related parties			
Investment in equity accounted undertakings	6.1	1,378,147,992	1,029,170,702
Others			
Held to maturity investments			
Federal Investment Bonds (FIBs)		–	250,000
Pakistan Investment Bonds (PIBs)	6.2	5,974,398	16,365,844
Term Finance Certificates (TFCs)			
- Listed	6.2	38,813,735	56,938,156
- Un-listed		–	46,902,722
		44,788,133	120,456,722
Less: Allowance for potential losses	35	390,197	–
		44,397,936	120,456,722
Less: Current maturity	10	21,705,256	43,095,337
	Rupees	1,400,840,672	1,106,532,087

6.1 The breakup of carrying value of investment in equity accounted undertakings is as follows.

2008	2007	Note	2008	2007
(Number of shares)				
Quoted				
11,641,750	1,164,175	Oman ORIX Leasing Company SAOG 6.1.4	308,223,976	270,137,233
16,335,000	5,445,000	ORIX Investment Bank Pakistan Limited	48,741,462	48,245,681
			356,965,438	318,382,914
Unquoted				
400,000	400,000	Saudi ORIX Leasing Company	461,431,437	379,596,821
45,000	45,000	MAF ORIX Finance PJSC	100,575,313	83,651,398
8,750	8,750	BTA ORIX Leasing JSC	129,566,568	97,220,749
920,000	920,000	ORIX Leasing Egypt SAE	196,826,676	150,318,820
13,500,000	–	ORIX Properties Pakistan (Private) Limited	132,782,560	–
			1,021,182,554	710,787,788
		Rupees	1,378,147,992	1,029,170,702

6.1.1 Oman ORIX Leasing Company SAOG, ORIX Investment Bank Pakistan Limited, Saudi ORIX Leasing Company, MAF ORIX Finance PJSC, BTA ORIX Leasing JSC, ORIX Leasing Egypt SAE and ORIX Properties Pakistan (Private) Ltd. are accounted for as equity accounted undertakings due to the significant influence of the Company.

6.1.2 During the year the Company acquired 45% holding in GSB Developments (Private) Limited (now ORIX Properties Pakistan (Private) Limited). The investee is engaged in acquiring, developing and managing commercial and residential properties and real estate projects. The company may also carry on the business of real estate investment trusts. Based on the evaluation of the risk and rewards of the investee it is not consolidated as the management consider that it has significant influence over the investee company and not control.

6.1.3 Market value of quoted investments in equity accounted undertakings are as follows:

	2008	2007
Oman ORIX Leasing Company SAOG	519,341,145	332,874,320
ORIX Investment Bank Pakistan Limited	80,858,250	118,701,000
	Rupees	600,199,395
		451,575,320

6.1.4 Includes 570 shares of Riyal Omani (R.O.) 0.1/- each (2007: 57 shares at R.O. 1/- each) held in the name of Chief Executive and Director in the investee company. The aggregate carrying value of these shares is Rs. 0.03 million (2007: Rs. 0.022 million).

6.1.5 Summarised financial statement of equity accounted undertakings not adjusted for percentage ownership held by the Company:

Name	Date of financial year end	Total assets	Total liabilities	Revenues (Rupees)	Profit / (loss)	Interest held
2008						
Quoted						
Oman ORIX Leasing Company SAOG	31 December	11,492,942,575	8,845,373,250	710,541,688	372,056,507	11.64%
ORIX Investment Bank Pakistan Limited	30 June	3,267,528,849	2,942,585,767	482,080,218	(664,291,156)	15.00%
Unquoted						
Saudi ORIX Leasing Company	31 December	19,452,865,395	14,799,347,888	1,100,091,728	589,387,237	10.00%
MAF ORIX Finance PJSC	31 December	8,635,705,789	5,283,195,521	814,461,759	415,946,193	3.00%
BTA ORIX Leasing JSC	31 December	4,175,362,689	2,911,911,908	652,748,605	184,494,108	10.00%
ORIX Leasing Egypt SAE	31 December	4,280,556,685	3,424,785,478	498,211,585	152,555,198	23.00%
ORIX Properties Pakistan (Private) Limited	30 June	305,472,422	10,400,066	-	(4,927,644)	45.00%
2007						
Quoted						
Oman ORIX Leasing Company SAOG	31 December	7,231,166,446	5,896,918,139	696,260,453	192,329,797	20.25%
ORIX Investment Bank Pakistan Limited	30 June	5,351,915,490	5,030,277,620	670,604,355	(311,970,920)	15.00%
Unquoted						
Saudi ORIX Leasing Company	31 December	12,891,098,399	9,095,129,810	607,132,874	367,010,398	10.00%
MAF ORIX Finance PJSC	31 December	5,539,268,027	2,750,888,273	557,987,470	201,288,604	3.00%
BTA ORIX Leasing JSC	31 December	2,977,182,745	2,004,975,332	419,459,461	108,843,867	10.00%
ORIX Leasing Egypt SAE	31 December	2,684,916,806	2,031,352,949	381,256,157	120,792,308	23.00%

6.2 Held to maturity investments have been made as required under Rule 12 (3) (f) of the Non Banking Finance Companies and Notified Entities, Regulations, 2007 to maintain liquidity against certificates of investment. These are redeemable within a period of 1 month to 3 years (2007: 1 month to 7 years) from the balance sheet date, carrying profit rate ranging from 8.00% to 14.00% (2007: 8.00% to 15.00%) per annum due half yearly from the date of issue.

7. LONG TERM FINANCES AND LOANS

	Note	2008	2007
Considered good			
Related parties - secured			
Chief Executive	7.1 & 7.2	1,595,830	2,335,975
Executives	7.1 & 7.2	63,048,336	53,672,292
		64,644,166	56,008,267
Others			
Employees - secured	7.2	44,389,679	42,635,030
Murabaha finance	7.3	20,000,000	20,000,000
Term finance - secured	7.4	178,073,477	159,888,251
Micro finance	7.5	23,490,076	3,709,452
Agri finance - secured	7.6	258,708,019	215,582,191
		524,661,251	441,814,924
		589,305,417	497,823,191
Considered doubtful			
Others			
Term finance		10,000,000	–
Agri finance		18,334,124	6,475,129
		28,334,124	6,475,129
Less: Allowance for potential loan losses	35	5,972,360	1,747,831
		22,361,764	4,727,298
Less: Current maturity			
Related parties		20,080,518	16,467,864
Others		133,085,093	69,959,286
	10	153,165,611	86,427,150
	Rupees	458,501,570	416,123,339

7.1 Reconciliation of outstanding amount of loan to Chief Executive and Executives

	Chief Executive		Executives	
	2008	2007	2008	2007
Opening balance	2,335,975	1,444,135	53,672,292	43,320,598
Disbursements	–	1,631,326	18,345,464	18,566,242
Repayments	(740,145)	(739,486)	(8,969,420)	(8,214,548)
Rupees	1,595,830	2,335,975	63,048,336	53,672,292

7.2 Loans include housing loans given in accordance with terms of the Company's employment policy and are repayable within a period of 20 years or retirement date whichever is 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% (2007: 5.00%) per annum. Loans to Chief Executive, Executives and other employees carry mark-up rate ranging between 5.00% and 10.00% (2007: 5.00% and 10.00%) per annum, secured against respective assets and are repayable within a period of five years.

Maximum amount outstanding at the end of any month during the year against loans to Chief Executive and Executives was Rs. 64.64 million (2007: Rs. 56.01 million).

7.3 This represents murabaha facility to a financial institution. The rate of return is 13% (2007: 13%) per annum.

- 7.4** This represents term finance facility provided to customers on mark-up basis. The mark-up on these finances ranges between 14.00% and 18.00% (2007: 12.00% and 18.00%) per annum. These finances are repayable within a period of 1 year to 5 years (2007: 1 year to 4 years) and are secured against charge over fixed assets, trade receivables and hypothecation of stocks.

It includes a facility provided to a financial institution which was rescheduled during the period from receivable against certificates of deposits to long term finance. The rate of interest is 5% and the facility is repayable within a period of 7 years having a grace period of 2 years.

- 7.5** 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 18% and 33% (2007: 18% and 32%) per annum. These loans are repayable within a period of 1 year to 3 years (2007: 1 year to 3 years) and are secured against personal guarantees of village organisations.

- 7.6** This represents long term finance offered to farmers on mark-up basis. The rate of return on these loans ranges between 11% and 20% (2007: 11% and 20%) per annum. These loans are repayable within a period of 1 year to 4 years (2007: 1 year to 4 years) and are secured against title documents of immovable property and hypothecation of personal assets.

8. SHORT TERM FINANCES

	Note	2008	2007
Considered good			
Term finance- secured	8.1	89,344,388	227,126,313
Factoring finance	8.2	23,702,669	4,218,665
Micro finance	8.3	132,498,362	93,113,814
Agri finance- secured	8.4	91,029,414	56,715,548
Other finance		78,056	422,733
		336,652,889	381,597,073
Considered doubtful			
Term finance		15,970,667	2,500,000
Micro finance		509,415	16,570
Agri finance		11,831,823	9,771,015
Other finance		378,674	533,211
		28,690,579	12,820,796
Less: Allowance for potential losses	35	8,030,070	6,246,698
		20,660,509	6,574,098
	Rupees	357,313,398	388,171,171

- 8.1** 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 13% and 18% (2007: 12% and 18%) per annum. These finances are recoverable between one and twelve months and are secured against charge over fixed assets, trade receivables and hypothecation of stocks.

- 8.2** This represents short term finance facilities, provided to customers against factored invoices on mark-up basis, in the normal course of business. These finances are repayable within a period of 3 months to 1 year (2007: 3 months to 1 year) and are secured against personal guarantees of directors and right of recourse.

- 8.3** This represents short term micro loans offered to individuals and women entrepreneurs on mark up basis. The mark-up on these loans ranges between 16% and 33% (2007: 10% and 33%) per annum. These are secured against personal guarantees of village organisations and are recoverable within twelve months.

- 8.4** This represents short term finance offered to farmers on mark-up basis. The mark-up on these loans ranges between 13% and 20% (2007: 13% and 19%) per annum. These are secured against title documents of immovable property and hypothecation of personal assets and are recoverable within twelve months.

9. ACCRUED RETURN ON INVESTMENTS AND TERM LOANS

	Note	2008	2007
Investments		3,951,905	6,768,831
Term loans		24,157,578	6,347,360
		28,109,483	13,116,191
Less: Allowance for potential losses	35	–	142,467
	Rupees	28,109,483	12,973,724

10. CURRENT MATURITY OF NON-CURRENT ASSETS

	Note	2008	2007
Current maturity of :			
Net investment in finance leases and instalment loans	5.1	10,073,018,534	9,300,179,260
Long term investments	6	21,705,256	43,095,337
Long term finances and loans	7	153,165,611	86,427,150
	Rupees	10,247,889,401	9,429,701,747

11. SHORT TERM INVESTMENTS

	Note	2008	2007
Held to maturity investment			
Treasury bills	11.1	93,849,144	–
Available-for-sale			
Ordinary shares		25,717,864	39,264,825
Units of open ended mutual funds	11.2	80,074,156	37,059,000
Units of close ended mutual funds	11.2	31,877,500	33,888,250
		137,669,520	110,212,075
Others - unsecured			
Certificates of investments	11.3	30,000,000	–
	Rupees	261,518,664	110,212,075

11.1 Held to maturity investments have been made as required under Rule 12 (3) (f) of the Non Banking Finance Companies and Notified Entities, Regulations, 2007 to maintain liquidity against certificates of investment. These are redeemable within a period of 3 months to 1 year. The rate of return ranges between 11.28% to 11.50% per annum.

11.2 Available for sale investments amounted to Rs. 62 million represent investment made as required under Rule 12 (3) (f) of the Non Banking Finance Companies and Notified Entities, Regulations, 2007 to maintain liquidity against certificates of investment.

11.3 This represents investments in short term certificates of investment issued by a Non-Banking Financial Institution for a period of 3 months. The rate of return on such investment is 17.75% per annum.

12. ADVANCES AND PREPAYMENTS

	2008	2007
Advances - unsecured	73,708,849	32,931,853
Prepayments		
Insurance		
- leased assets	4,230,251	12,106,423
- own assets	5,005,287	4,476,514
Rent	10,418,842	19,009,764
Others	9,626,940	7,726,174
	29,281,320	43,318,875
	Rupees	102,990,169
		76,250,728

13. OTHER RECEIVABLES

	Note	2008	2007
Considered good			
Operating lease rentals receivable		68,152,671	66,132,580
Fair value of hedging instrument		558,817,700	–
Others		30,910,518	10,895,548
		657,880,889	77,028,128
Considered doubtful			
Operating lease rentals receivable		326,322	7,030,431
Due from a financial institution		–	25,000,000
		326,322	32,030,431
Less: Allowance for potential losses	35	326,322	15,726,018
	Rupees	657,880,889	93,332,541

14. CASH AND BANK BALANCES

	2008	2007
Cash in hand	1,933,017	1,775,770
With banks on :		
- Current accounts	21,914,946	20,706,406
- Deposit accounts	183,709,301	19,748,710
	205,624,247	40,455,116
	Rupees	207,557,264
		42,230,886

15. ASSETS CLASSIFIED AS HELD FOR SALE

	Note	2008	2007
Repossessed assets	Rupees 15.1	75,595,216	61,804,582

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

16. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2008	2007		2008	2007
(Number of shares)				
Ordinary shares of Rs. 10/- each				
49,355,892	49,355,892	Fully paid in cash	493,558,920	493,558,920
20,122,591	20,122,591	Fully paid bonus shares	201,225,910	201,225,910
69,478,483	69,478,483		694,784,830	694,784,830
		Rupees		

As at 30 June 2008, ORIX Corporation, Japan and its nominees held 34,669,759 (2007: 34,669,759) ordinary shares equivalent to 49.90% (2007 : 49.90%) of the total shareholding.

17. RESERVES

	Note	2008	2007
Capital reserves			
Share premium		552,821,229	552,821,229
Statutory reserve	17.1	604,000,000	550,500,000
		1,156,821,229	1,103,321,229
Revenue reserves			
General reserve		210,000,000	210,000,000
Unappropriated profit		332,184,184	362,249,315
Unrealised (losses) / gain on investment		(7,939,458)	10,051,253
Hedging reserve		62,349,872	(49,418,292)
Foreign currency translation reserve		169,909,566	53,373,903
Share of associates' reserves:			
- Unrealised loss due to change in fair value of available-for-sale securities		(14,241,845)	(3,808,338)
- Hedging reserve		-	(1,672,962)
		752,262,319	580,774,879
	Rupees	1,909,083,548	1,684,096,108

17.1 This represents profit set aside as required under Regulation No.14 of Non-Banking Finance Companies and Notified Entities Regulations, 2007.

18. LONG TERM FINANCES - secured

	Note	2008	2007
Long term finances utilised under mark-up arrangements - financial institutions	18.1 & 18.2	4,346,111,121	8,538,888,898
Term Finance Certificates - Listed	18.3	2,499,000,000	2,500,000,000
Term Finance Certificates - Unlisted	18.4	5,000,000,000	-
		11,845,111,121	11,038,888,898
Less: Unamortised transaction cost in respect of			
Long term finances utilised under mark-up arrangements		6,383,669	4,049,522
Term Finance Certificates		57,873,574	19,969,409
		64,257,243	24,018,931
Less: Current maturity			
Long term finances utilised under mark-up arrangements		1,866,111,109	3,248,611,108
Term Finance Certificates		1,000,000	1,000,000
	27	1,867,111,109	3,249,611,108
		1,931,368,352	3,273,630,039
	Rupees	9,913,742,769	7,765,258,859

18.1 These finances have been obtained under various sale and repurchase agreements for financing of lease operations and are secured by hypothecation of leased assets, related lease receivables, instalment loans and operating lease assets. The mark up rate thereon ranges between 11.22% and 15.69% (2007: 10.60% and 12.15%) per annum. These finances are repayable within a period of 36 to 60 months (2007: 36 to 84 months).

18.2 The aggregate unavailed long term finance facilities available from various banks amounted to Nil (2007: Rs. 5,000 million).

18.3 This represents registered and listed TFCs issued by the Company to financial institutions, trusts and general public. These are secured by first exclusive and specific charge, along with a 25% margin, over specific moveable assets and receivables. Profit on these TFCs is payable on a semi annual basis at the rate of KIBOR + 1.5% without any floor or cap. The principal portion of these TFCs is structured to redeem 0.08% of the principal amount during the first two years in four equal semi-annual instalments in arrears, with the remaining 99.92% of the principal amount to be redeemed in six equal semi-annual instalments during the last three years. The Company has hedged interest rate risk on these TFC's by entering into an interest rate swap with a financial institution.

18.4 Represents privately placed registered TFCs issued by the Company to financial institutions and trusts. These are secured by first exclusive and specific charge, along with a 25% margin, over specific moveable assets and receivables. Profit on these TFCs is payable on a semi annual basis at the rate of KIBOR + 1.2% without any floor or cap. The principal portion of these TFCs is structured to redeem principal amount in six equal semi-annual instalments in arrears after a grace period of two years.

19. LONG TERM LOANS - secured

Name of lending institution	Commencement of repayment	Mode of loan repayment	Rate %	Note	2008	2007
International Finance Corporation	15-Jul-2008	11 equal semi annual instalments after 24 months grace period	US\$ six month LIBOR+1.5%	19.1	1,169,600,000	1,035,300,000
Citibank Japan Limited, Syndicated loan	31-Jan-08	14 equal semi annual instalments	US\$ six month LIBOR+0.675%	19.2	3,194,285,685	–
Swiss Agency for Development & Co-operation (SDC)	10-Dec-2004	5 equal annual instalments	7.00	19.3	4,000,000	8,000,000
Pakistan Poverty Alleviation Fund (PPAF)	22-Feb-2006	16 quarterly instalments	6.00	19.3	35,000,000	31,944,656
Pakistan Poverty Alleviation Fund (PPAF)	14-Dec-2006	12 quarterly instalments	8.00	19.3	54,187,631	42,315,092
Total long term loans					4,457,073,316	1,117,559,748
Less : Unamortised transaction cost					140,318,582	10,437,867
Less : Current maturity					713,795,347	78,259,748
					Rupees	3,602,959,387
						1,028,862,133

19.1 This is foreign currency facility of US\$ 17 million. It is secured against first specific fixed charge over leased assets and lease receivables and is hedged by a cross currency interest rate swap with a financial institution.

19.2 This represents foreign currency facility of US\$ 50 million supported by an Overseas United Loan Insurance issued by Nippon Export & Investment Insurance (NEXI). This loan is secured against first specific fixed charge over leased assets and lease receivables and is hedged by a cross currency interest rate swap with a financial institution.

19.3 Loans from SDC and PPAF have been obtained to finance small scale and micro enterprises. These loans are secured against hypothecation of specific leased assets and related lease receivables.

20. LONG TERM CERTIFICATES OF INVESTMENT - unsecured

	Note	2008	2007
Certificates of investment	20.1	1,214,226,112	687,178,923
Less: Current maturity	27	54,931,052	132,958,057
	Rupees	1,159,295,060	554,220,866

20.1 These represent long term certificates of investment, issued on a profit and loss sharing basis at the expected rates of profit, ranging between 5.50% and 13.00% (2007: 5.00% and 13.00%) per annum. These certificates of investment have been issued for terms ranging between 2 years and 10 years (2007: 2 years and 10 years).

21. LONG TERM DEPOSITS

	Note	2008	2007
Security deposit on finance leases and instalment loans	21.1	6,699,606,784	6,160,924,721
Less: Repayable / adjustable within 12 months	27	1,504,432,359	1,212,465,900
	Rupees	5,195,174,425	4,948,458,821

21.1 These represent deposits received from lessees under finance leases and instalment loan contracts, repayable / adjustable at the expiry of the lease periods.

22. DEFERRED TAXATION

	2008	2007
The deferred tax liability is attributable to the following items:		
Accelerated tax depreciation	2,099,663,013	2,107,110,107
Unamortised transaction costs relating to long term finances and loans	71,601,537	12,059,879
Share of profit from investments in equity accounted undertakings	83,547,522	–
Allowance for potential lease losses	(119,175,981)	(108,738,126)
Tax losses	(1,831,465,341)	(1,733,261,110)
	Rupees	304,170,750
		277,170,750

23. TRADE AND OTHER PAYABLES

	Note	2008	2007
Creditors		159,719,652	101,794,702
Accrued liabilities		20,827,473	12,319,757
Other liabilities			
Advance from customers pending finance lease and instalment loan execution		14,392,002	25,416,945
Unclaimed dividend		3,173,621	2,845,588
Payable to defined benefit plan	33.1.2	2,699,053	3,691,514
Grant from donors	23.1	1,215,070	1,473,704
Fair value of hedging instrument		–	38,028,292
Others		4,268,639	1,220,498
		25,748,385	72,676,541
	Rupees	206,295,510	186,791,000

23.1 These grants have been received from United Nations Development Program (UNDP) and Pakistan Poverty Alleviation Fund (PPAF) as assistance towards expenses incurred in developing and sustaining the micro finance program.

	2008			
	UNDP - 1	UNDP - 2	PPAF	Total
Opening balance	207,639	–	1,266,065	1,473,704
Grants received during the year	–	7,226,400	3,203,912	10,430,312
Amount charged during the year	(207,639)	(7,226,400)	(3,254,907)	(10,688,946)
Closing balance	Rupees –	–	1,215,070	1,215,070

	2007			
	UNDP - 1	UNDP - 2	PPAF	Total
Opening balance	1,397,821	–	503,065	1,900,886
Grants received during the year	2,391,200	7,164,000	3,095,460	12,650,660
Amount charged during the year	(3,581,382)	(7,164,000)	(2,332,460)	(13,077,842)
Closing balance	Rupees 207,639	–	1,266,065	1,473,704

24. ACCRUED INTEREST / MARK-UP ON LOANS AND TERM FINANCES

	2008	2007
Interest / mark-up on		
Long term finances	357,725,164	161,772,063
Long term loans	183,566,002	56,061,777
Short term borrowings	5,911,149	8,381,513
Profit on certificates of investment	80,298,843	121,750,554
	Rupees	
	627,501,158	347,965,907

25. SHORT TERM BORROWINGS

	Note	2008	2007
From Banking Companies			
Under mark-up arrangements - secured	25.1	5,654,931	468,429,605
Short term Morabaha finance - secured		–	200,000,000
Letters of placement - unsecured		–	590,000,000
	Rupees	5,654,931	1,258,429,605

25.1 The short term running finance facilities available from commercial banks amounted to Rs. 835 million (2007: Rs. 985 million). The rate of mark-up ranges between 10.89% to 13.69% (2007: 10.32% to 12.15%) per annum on daily product basis. These arrangements are secured by hypothecation of leased assets and related lease receivables.

26. SHORT TERM CERTIFICATES OF INVESTMENT - unsecured

	2008	2007
	Rupees	
	43,075,880	2,712,535,118

These represent short term certificates of investment issued under profit and loss sharing basis at expected rates of profit ranging between 7.00% and 9.50% (2007: 6.75% and 11.00%) per annum for terms of 1 to 12 months.

27. CURRENT MATURITY OF NON-CURRENT LIABILITIES

	Note	2008	2007
Current maturity of			
Long term finances	18	1,867,111,109	3,249,611,108
Long term loans	19	713,795,347	78,259,748
Long term certificates of investment	20	54,931,052	132,958,057
Long term deposits	21	1,504,432,359	1,212,465,900
	Rupees	4,140,269,867	4,673,294,813

28. COMMITMENTS

- 28.1** Leasing and instalment loans contracts committed but not executed at the balance sheet date amounted to Rs. 73.59 million (2007 : Rs. 150.01 million).
- 28.2** Commitments for capital expenditure on Point of Sale (POS) network as at 30 June 2008 amounted to Rs. 10.99 million (2007: Rs. 17.50 million).
- 28.3** Commitments for capital expenditure for construction of office as at 30 June 2008 amounted to Rs. 6.55 million (2007: Rs. 13.76 million).
- 28.4** Outstanding letter of credit issued by commercial bank for operating lease assets amounted to Rs. 113.96 million (2007: Nil).

29. INCOME FROM FINANCE LEASES AND INSTALMENT LOANS

	Note	2008	2007
Income from finance leases	29.1	2,378,393,375	2,174,914,117
Income from instalment loans		40,917,246	50,750,075
	Rupees	2,419,310,621	2,225,664,192

- 29.1** This represents lease income recognised in accordance with the accounting policy as explained in note 3.17 against lease rentals received and receivable for the year, aggregating to Rs. 9,483.89 million (2007: Rs. 8,881.81 million).

30. OTHER INCOME - NET

	Note	2008	2007
From financial assets			
Return on investments and deposits		33,330,403	23,190,769
Dividend income		11,513,950	2,711,510
Capital gain on sale of investment		117,250,104	7,714,324
Exchange gain released from equity		16,851,501	–
Impairment on available-for-sale investment		(3,453,415)	–
		175,492,543	33,616,603
From assets other than financial assets			
Other fees and income		32,621,094	20,174,317
Documentation fee		29,427,651	30,572,680
Gain on disposal of fixed assets		9,488,717	6,091,739
Gain on sale of leased assets		34,100,434	21,450,818
Gain on hedging instruments	30.1	485,077,828	11,390,000
Exchange loss on long term borrowings	30.2	(485,077,828)	(11,390,000)
Other exchange gains - net		4,781,125	–
		110,419,021	78,289,554
	Rupees	285,911,564	111,906,157

30.1 This represents unrealized gains on cross currency interest rate swap transactions entered with commercial banks (Note 19.1 & 19.2).

30.2 This represents loss on account of revaluation of long term foreign currency loans (Notes 19.1 and 19.2) hedged by cross currency interest rate swap.

31. SHARE OF PROFIT OF EQUITY ACCOUNTED UNDERTAKINGS

Name of associate	2008		2007	
	Associates' profit / (loss) after tax	Share of associates' profit / (loss) after tax	Associates' profit after tax	Share of associates' profit after tax
Listed				
Oman ORIX Leasing Company SAOG	372,056,507	53,120,932	192,329,797	38,939,860
ORIX Investment Bank Pakistan Limited	(664,291,156)	(99,643,673)	(311,970,920)	(46,795,637)
	(292,234,649)	(46,522,741)	(119,641,123)	(7,855,777)
Un-listed				
Saudi ORIX Leasing Company	589,387,237	41,590,057	367,010,398	36,701,040
MAF ORIX Finance PJSC	415,946,193	12,478,386	201,288,604	11,904,928
BTA ORIX Leasing JSC	184,494,108	18,449,411	108,843,867	10,884,387
ORIX Leasing Egypt SAE	152,555,198	35,087,695	120,792,308	27,782,230
ORIX Properties Pakistan (Private) Limited	(4,927,644)	(2,217,440)	–	–
	1,337,455,092	105,388,109	797,935,177	87,272,585
	Rupees	1,045,220,443	678,294,054	79,416,808

32. FINANCE COSTS

	2008	2007
Interest / mark-up on		
- Long term finances	1,555,682,133	1,168,240,269
- Long term loans	314,719,420	117,606,971
- Short term borrowings	42,580,705	160,725,795
Profit on certificates of investment	166,063,827	342,806,214
Amortisation of transaction costs	42,142,688	4,826,205
Bank charges and commission	12,160,074	11,987,525
	Rupees	2,133,348,847
		1,806,192,979

33. ADMINISTRATIVE AND GENERAL EXPENSES

	Note	2008	2007
Salaries, allowances, welfare and training	33.1	254,878,898	205,114,506
Rent and utilities		74,320,124	57,508,235
Travelling		10,416,475	14,434,839
Vehicle running and maintenance		23,573,299	19,394,035
Insurance of operating assets		7,656,764	6,180,721
Legal and professional charges		28,203,841	19,964,516
Communication		22,921,070	19,589,038
Subscriptions		1,310,270	1,321,062
Auditors' remuneration	33.2	832,446	892,330
Advertising		2,528,544	1,854,373
Printing and stationery		9,835,154	8,066,908
Depreciation	4.1	48,988,688	40,669,384
Office repairs and maintenance of equipment		20,666,156	13,972,229
Donations	33.3	2,986,126	5,132,145
Office general expenses		7,708,490	5,628,959
	Rupees	516,826,345	419,723,280

33.1 Includes following employee benefits

	Note	2008	2007
Defined benefit plan - Gratuity fund	33.1.3	9,699,053	7,458,699
Defined contributory plan - Provident fund		13,160,878	10,958,379
Compensated absences		4,800,000	2,800,000
	Rupees	27,659,931	21,217,078

33.1.1 The actuarial valuation has been conducted in accordance with IAS-19 "Employee Benefits" as at 30 June 2008. The projected unit credit method using the following significant assumptions have been used for the actuarial valuation:

	2008	2007
Discount rate	12.00%	10.00%
Expected rate of increase in salary	12.00%	10.00%
Expected rate of return on plan assets	12.00%	10.00%
Average working life of employees	35 years	34 years

33.1.2 The amount recognised in the balance sheet is as follows:

	Note	2008	2007
Present value of defined benefit obligation	33.1.4	92,974,126	70,204,570
Fair value of any plan assets	33.1.5	(61,807,911)	(51,886,047)
Unrecognised actuarial losses		(28,467,162)	(14,627,009)
	Rupees	2,699,053	3,691,514

33.1.3 The following amount has been charged in the profit and loss account in respect of these benefits:

	2008	2007
Current service cost	7,106,546	6,308,717
Interest cost	7,020,457	5,368,191
Expected return on plan assets	(5,188,605)	(4,403,867)
Actuarial losses recognised	760,655	185,658
	Rupees	
	9,699,053	7,458,699
Actual return on plan assets	Rupees	
	1,395,849	3,644,398

33.1.4 Movement in the present value of defined benefit obligation:

	2008	2007
Present value of obligation as at 1 July	70,204,570	53,681,910
Current service cost	7,106,546	6,308,717
Interest cost	7,020,457	5,368,191
Benefit paid	(2,165,499)	(2,625,189)
Actuarial loss on obligation	10,808,052	7,470,941
Present value of obligation as at 30 June	Rupees	
	92,974,126	70,204,570

33.1.5 Movement in the fair value of plan assets:

	2008	2007
Total assets as at 1 July	51,886,047	44,038,668
Return on plan assets	5,188,605	4,403,867
Contributions	10,691,514	6,000,000
Benefit paid	(2,165,499)	(2,625,189)
Actuarial profit/(loss) on assets	(3,792,756)	68,701
Total assets as at 30 June	Rupees	
	61,807,911	51,886,047

33.1.6 Comparison for five years

	2008	2007	2006	2005	2004
Present value of defined benefit obligation	92,974,126	70,204,570	53,681,910	40,784,196	34,610,000
Fair value of any plan assets	(61,807,911)	(51,886,047)	(44,038,668)	(36,944,376)	–
Deficit	31,166,215	18,318,523	9,643,242	3,839,820	34,610,000
Experience adjustments					
Actuarial loss on obligation	(10,808,052)	(7,470,941)	(6,451,237)	(315,596)	(2,016,000)
Actuarial (loss) / gain on assets	(3,792,756)	(68,701)	(1,672,926)	24,317	–

33.2 Auditors' remuneration

	2008	2007
Audit fee	550,000	500,000
Fee for special certification including half yearly review fee	242,000	296,348
Out of pocket expenses	40,446	95,982
	Rupees	
	832,446	892,330

33.3 Donations include the following in which a director or his spouse is interested

Name and address of donee	Interested Director or his spouse	Interest of donee	2008	2007
Marie Adelaide Leprocy Centre, Mariam Manzil, A.M.21 off Sharah-e-Liaquat, Karachi.	Mr. Humayun Murad	Board member	275,000	–
Patient Aid Foundation (Jinnah Hospital) Rafique Shaheed Road, Sharah-e-Faisal, Karachi.	Mr. Humayun Murad	Board member	–	100,000
		Rupees	275,000	100,000

34. DIRECT COST OF LEASES

	Note	2008	2007
Finance lease and instalment loans			
Court fee, stamp duty and others		14,674,136	14,550,275
Operating lease			
Maintenance and insurance		186,511,836	178,762,132
Depreciation	4.2	142,127,617	146,797,286
		328,639,453	325,559,418
	Rupees	343,313,589	340,109,693

35. ALLOWANCE FOR POTENTIAL LEASE, INSTALMENT AND OTHER LOAN LOSSES - NET

	2008						
	Finance lease and Instalment loans	Finance and loans	Operating lease and other receivables	Mark - up accrued	Long term investment	Total	
Balance at beginning of the year	259,278,401	7,994,529	15,726,018	142,467	–	283,141,415	
Provision made during the year	111,626,281	6,007,902	175,000	–	390,197	118,199,380	
Reversal of provision	–	–	(13,030,780)	–	–	(13,030,780)	
Write offs	(105,231,864)	–	(2,543,916)	(142,467)	–	(107,918,247)	
	Rupees	265,672,818	14,002,431	326,322	–	390,197	280,391,768

	2007						
	Finance lease and Instalment loans	Finance and loans	Operating lease and other receivables	Mark - up accrued	Long term investment	Total	
Balance at beginning of the year	271,140,039	9,568,855	–	142,467	8,519,179	289,370,540	
Provision made during the year	45,224,336	3,456,509	15,726,018	–	–	64,406,863	
Reversal of provision	–	(5,000,000)	–	–	(8,519,179)	(13,519,179)	
Write offs	(57,085,974)	(30,835)	–	–	–	(57,116,809)	
	Rupees	259,278,401	7,994,529	15,726,018	142,467	–	283,141,415

36. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2008			
	Chief Executive	Director	Executives	Total
Managerial remuneration and allowances	7,900,002	3,442,500	64,295,060	75,637,562
House rent and utilities	3,350,001	1,635,000	31,299,067	36,284,068
Retirement benefits	1,502,877	928,226	15,557,758	17,988,861
Rupees	12,752,880	6,005,726	111,151,885	129,910,491
Number	1	1	49	51

	2007			
	Chief Executive	Director	Executives	Total
Managerial remuneration and allowances	7,460,001	2,852,499	52,787,437	63,099,937
House rent and utilities	3,160,000	1,346,900	26,005,917	30,512,817
Retirement benefits	1,333,353	610,026	10,547,557	12,490,936
Rupees	11,953,354	4,809,425	89,340,911	106,103,690
Number	1	1	45	47

36.2 The Chief Executive, a Director and certain Executives are also provided with free use of Company owned and maintained cars and other benefits in accordance with their entitlement as per rules of the Company.

36.3 Aggregate amount charged in these financial statements includes fee paid to one non-executive director for serving on committees of the Board and meeting fees paid to two non-executive directors amounting to Rs.1,090,000 (2007: two non-executive directors Rs. 695,000).

37. SEGMENT INFORMATION

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

Segment analysis for the year ended 30 June 2008

		Finance Lease	Operating Lease	Others	Total
Segment revenues	Rupees	2,378,393,375	535,433,558	477,574,640	3,391,401,573
Segment result	Rupees	2,085,303,909	142,623,673	458,422,646	2,686,350,228
Unallocated expenses					(260,257,189)
Result from operating activities					2,426,093,039
Finance costs					(2,133,348,847)
Share of profit of equity accounted undertakings				58,865,368	58,865,368
Provision for taxation					(85,000,000)
Profit for the year	Rupees				266,609,560
Other information					
Segment assets		22,872,632,745	580,148,923	1,645,131,868	25,097,913,536
Investment in equity accounted undertakings				1,378,147,992	1,378,147,992
Unallocated assets					1,338,918,716
Total assets	Rupees				27,814,980,244
Segment liabilities					
		6,823,201,185	11,945,699	661,713	6,835,808,597
Unallocated liabilities					18,375,303,269
Total liabilities	Rupees				25,211,111,866
Capital expenditure	Rupees	–	208,577,634	109,494,610	318,072,244
Depreciation	Rupees	–	142,127,617	48,988,688	191,116,305

Segment analysis for the year ended 30 June 2007

		Finance Lease	Operating Lease	Others	Total
Segment revenues	Rupees	2,174,914,117	500,544,636	257,617,140	2,933,075,893
Segment result	Rupees	1,976,996,209	117,261,149	235,158,105	2,329,415,463
Unallocated expenses					(207,060,227)
Result from operating activities					2,122,355,236
Finance costs					(1,806,192,979)
Share of profit of equity accounted undertakings				79,416,808	79,416,808
Provision for taxation					(61,500,000)
Profit for the year	Rupees				334,079,065
Other information					
Segment assets		22,448,009,302	538,656,902	1,610,471,398	24,597,137,602
Investment in equity accounted undertakings				1,029,170,702	1,029,170,702
Unallocated assets					511,021,724
Total assets	Rupees				26,137,330,028
Segment liabilities					
		6,239,745,744	13,010,197	–	6,252,755,941
Unallocated liabilities					17,505,693,149
Total liabilities	Rupees				23,758,449,090
Capital expenditure	Rupees	–	107,203,033	108,112,420	215,315,453
Depreciation	Rupees	–	146,797,286	40,669,384	187,466,670

38. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of ORIX Corporation, Japan - parent company, related group companies, local associated companies, staff provident fund, staff gratuity fund, Directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties, amounts due from executives and remuneration of Directors and executives are disclosed in the relevant notes.

38.1 Terms and conditions of transactions with related parties

Transactions with the related parties are made at normal market prices except as mentioned in notes 38.2 and 38.3 below. Outstanding balances are disclosed in the respective notes. Other material transactions with related parties are given below:

		2008	2007
ORIX Corporation, Japan			
Controlling entity			
Proceed against renunciation of right shares of			
Oman ORIX Leasing Company SAOG	Rupees	98,459,418	–
Dividend paid	Rupees	121,344,162	121,344,162
ORIX Investment Bank Pakistan Limited			
Associate / common directorship			
Purchase of right shares	Rupees	108,900,000	–
Brokerage / commission / advisory fee paid during the year	Rupees	124,986	6,162,763
Dividend received	Rupees	–	17,696,250
ORIX Leasing Egypt SAE			
Associate			
Dividend received	Rupees	23,416,069	9,704,962
Saudi ORIX Leasing Company			
Associate			
Dividend received	Rupees	7,651,559	16,030,000
Oman ORIX Leasing Company SAOG			
Associate / common directorship			
Dividend received	Rupees	21,930,481	–
MAF ORIX Finance PJSC			
Associate / common directorship			
Dividend received	Rupees	6,232,593	3,685,500

38.2 The Company is a party to Technical Assistance Agreements with its foreign associates, under which the Company renders certain technical related services to these foreign associates at no cost.

38.3 Compensation of key management personnel

		2008	2007
Short-term employee benefit		31,136,133	27,295,266
Termination benefits		4,539,320	3,396,981
Total compensation to key management personnel	Rupees	35,675,453	30,692,247

39. TAXATION

39.1 Effective tax rate reconciliation

Numerical reconciliation between the average tax rate and the applicable tax rate has not been presented as provision for current year income tax has been made under the provisions of minimum tax under Section 113 of the Income Tax Ordinance, 2001 (IT Ordinance). The Company's tax computation gives rise to a tax loss due to unabsorbed tax depreciation. The movement in deferred taxation is mainly due to the accelerated tax depreciation and allowance for potential lease losses.

39.2 Current status of pending tax assessments

Under Section 114 of the IT Ordinance, the Company has filed the return of income for Tax year 2007 on due date. The said return shall be taken to be an assessment order passed by the Commissioner of Income Tax on the day the said return was filed.

The return of income filed by the Company for the tax year 2003 has been selected for the tax audit under Section 117 of the Ordinance, however the audit proceedings are yet to culminate.

Taxation Officer, Audit Division, Large Tax Payers Unit, Karachi finalized the revised assessments of the Company for assessment years 2001-2002 and 2002-2003 under Section 124 of the IT Ordinance against which the Company preferred an appeal before the Commissioner of Income Tax (Appeals) [CIT(A)]. The issues involved in both the years are the disallowance of bad debts written off and deferred financial cost incurred by the Company. The CIT(A) has allowed partial relief to the Company. The Company has preferred a second appeal before the Income Tax Appellate Tribunal (ITAT) against the appellate order passed by the CIT(A).

Taxation Officer also revised the income tax assessment of the Company for assessment year 1999-2000 under Section 221 of the IT Ordinance. As per the revised order, the assessing officer increased the assessed income of the Company thereby resulting in an increased tax liability. The Company preferred an appeal against the order of Taxation Officer before the ITAT. The ITAT while deciding the appeal filed by the Company has remanded back the appellate order dated December 12, 2005 to the CIT(A) to pass speaking order after considering all the relevant facts of the case. However, as a matter of prudence, the Company has made adequate provision in respect of the disallowances.

40. CASH GENERATED FROM OPERATIONS

	2008	2007
Profit before taxation	351,609,560	395,579,065
Adjustments for		
Depreciation and amortisation	233,258,997	192,292,875
Allowance for potential lease, instalment and other loan losses - net	105,168,600	58,187,928
Share of profit of equity accounted undertakings	(58,865,368)	(79,416,808)
Gain on hedging instruments	(485,077,828)	(11,390,000)
Exchange loss - net	480,296,703	11,390,000
Exchange gain released from equity	(16,851,501)	-
Mark-up expenses	1,925,142,332	1,458,560,560
Profit on certificates of investment	166,063,827	342,806,214
Dividend income	(11,513,950)	(3,736,950)
Capital gain on sale of investments	(117,250,104)	(7,714,324)
Return on investments and deposits	(33,330,403)	(23,190,769)
Gain on disposal of fixed assets	(9,488,718)	(6,091,739)
	2,177,552,587	1,931,696,987
	2,529,162,147	2,327,276,052
(Increase) / decrease in current assets		
(Increase) / decrease in advances and prepayments	(26,739,441)	6,905,309
(Increase) / decrease in other receivables	7,125,132	(18,595,793)
	(19,614,309)	(11,690,484)
Increase / (decrease) in trade and other payables	50,930,591	(47,741,444)
	Rupees 2,560,478,429	2,267,844,124

41. CASH AND CASH EQUIVALENTS

	Note	2008	2007
Cash at bank	14	205,624,247	40,455,116
Cash in hand	14	1,933,017	1,775,770
Overdraft	25	(5,654,931)	(468,429,605)
	Rupees	201,902,333	(426,198,719)

42. FINANCIAL RISK MANAGEMENT

42.1 Credit risk and concentration of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the Company's receivables from customers and investment securities. 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.

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. 27,814.98 million (2007: Rs. 26,137.33 million) the assets which were subject to credit risk amounted to Rs. 24,430.64 million (2007: Rs. 24,138.05 million). Significant concentrations of the Company's risk assets by industry sector and geographical region are set out in notes 42.1.1 and 42.1.3.

The Company manages concentration of credit risk exposure 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, instalment and other loan losses is maintained at a level which, in the judgment of management, is adequate to provide for potential losses on lease, instalment and other loan portfolio that can be reasonably anticipated.

42.1.1 Segment by class of business

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

	2008		2007		
	Rupees	Percentage	Rupees	Percentage	
Individuals (Auto lease)	6,952,271,678	28.46	6,810,992,006	28.22	
Transport and communication	2,642,307,023	10.82	2,721,413,089	11.27	
Services	2,522,700,074	10.33	3,185,069,180	13.20	
Miscellaneous	2,261,837,875	9.26	1,632,470,609	6.76	
Fuel and energy	2,149,011,298	8.80	1,886,630,918	7.82	
Textile and allied	2,115,859,658	8.66	2,275,074,611	9.43	
Trading	1,032,673,555	4.23	1,076,310,040	4.46	
Food and allied	922,522,801	3.78	756,783,250	3.14	
Construction	844,854,482	3.46	771,108,973	3.19	
Chemical and pharmaceutical	650,901,456	2.66	537,709,551	2.23	
Steel and engineering	643,198,618	2.63	633,720,978	2.63	
Paper, board and printing	506,671,258	2.07	474,068,669	1.96	
Consumer finance	371,395,286	1.52	489,641,461	2.03	
Cement	303,420,351	1.24	311,760,520	1.29	
Manufacturers of consumer goods	182,160,460	0.75	341,705,492	1.42	
Sugar	179,122,325	0.73	112,369,095	0.47	
Financial institutions	149,733,889	0.60	121,219,574	0.48	
	Rupees	24,430,642,087	100.00	24,138,048,016	100.00

42.1.2 Segment by sector

The Company's net investment in finance leases and instalment loans include exposure to Government / Public sector amounted to Rs.0.48 million (2007: Rs. 1.12 million) and the balance Rs. 23,508.06 million (2007: Rs. 23,195.25 million) represents exposure to private sector.

42.1.3 Geographical segment analysis

Company's operations are restricted to Pakistan only.

42.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations 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 reputation. To guard against the risk, the Company has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily marketable securities. The maturity profile is monitored to ensure adequate liquidity is maintained.

The table below summarises the maturity profile of the Company's assets and liabilities. The contractual maturities of assets and liabilities at the year-end have been determined on the basis of the remaining period at the balance sheet date to the contractual maturity date and do not take account of the effective maturities as indicated by the Company's deposit retention history and the availability of liquid funds. Assets and liabilities not having a contractual maturity are assumed to mature on the expected date on which the assets / liabilities will be realised / settled.

	2008				
	Up to three months	Over three months to one year	Over one year	Total	
Financial assets					
Net investment in finance leases and instalment loans - net of related deposits	3,001,751,448	5,568,625,802	7,972,883,401	16,543,260,651	
Investments	209,519,450	73,704,470	1,400,840,672	1,684,064,592	
Long term finance and loans	65,775,425	87,390,186	458,501,570	611,667,181	
Long term deposits	–	–	14,601,545	14,601,545	
Short term finance	126,307,468	231,005,930	–	357,313,398	
Accrued return on investments and term loans	28,093,507	15,976	–	28,109,483	
Advances and prepayments	73,708,849	–	–	73,708,849	
Other receivables	99,063,189	–	558,817,700	657,880,889	
Cash and bank balances	207,557,264	–	–	207,557,264	
	Rupees	3,811,776,600	5,960,742,364	10,405,644,888	20,178,163,852
Financial liabilities					
Long term finances	213,888,886	1,653,222,223	9,913,742,769	11,780,853,878	
Long term loans	402,105,475	311,689,872	3,602,959,387	4,316,754,734	
Certificates of investment	29,911,821	68,095,111	1,159,295,060	1,257,301,992	
Trade and other payables	8,182,762	198,112,748	–	206,295,510	
Accrued Interest / mark-up on loans and term finances	485,896,111	68,113,287	73,491,760	627,501,158	
Short term borrowings	5,654,931	–	–	5,654,931	
		1,145,639,986	2,299,233,241	14,749,488,976	18,194,362,203
On-balance sheet gap	Rupees	2,666,136,614	3,661,509,123	(4,343,844,088)	1,983,801,649

The above are based on contractual maturities and not on their expected realisation, which may differ due to sale/ rollover, etc. Hence, the above gaps may not actually arise. Furthermore, the Company has access to funds in the money market and from financial institutions on a long term basis to mitigate any negative gaps.

	2007				
	Up to three months	Over three months to one year	Over one year	Total	
Financial assets					
Net investment in finance leases and instalment loans - net of related deposits	2,606,680,543	5,387,925,370	8,781,559,611	16,776,165,524	
Investments	130,232,671	23,015,195	1,106,591,633	1,259,839,499	
Long term finance and loans	5,707,772	37,394,137	459,448,580	502,550,489	
Long term deposits	–	–	11,906,582	11,906,582	
Short term finance	62,377,789	325,793,382	–	388,171,171	
Accrued return on investments and term loans	1,137,723	11,836,001	–	12,973,724	
Advances and prepayments	32,931,853	–	–	32,931,853	
Other receivables	93,332,541	–	–	93,332,541	
Cash and bank balances	42,230,886	–	–	42,230,886	
	Rupees	2,974,631,778	5,785,964,085	10,359,506,406	19,120,102,269
Financial liabilities					
Long term finances	438,888,889	2,810,722,223	7,765,258,855	11,014,869,967	
Long term loans	74,259,748	4,000,000	1,028,862,133	1,107,121,881	
Certificates of investment	2,607,477,395	238,015,780	554,220,866	3,399,714,041	
Trade and other payables	180,253,898	6,537,102	–	186,791,000	
Accrued Interest / mark-up on loans and term finances	243,309,195	104,656,712	–	347,965,907	
Short term borrowings	619,217,599	639,212,006	–	1,258,429,605	
		4,163,406,724	3,803,143,823	9,348,341,854	17,314,892,401
On-balance sheet gap	Rupees	(1,188,774,946)	1,982,820,262	1,011,164,552	1,805,209,868

42.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange risk, interest risk and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

42.3.1 Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Company incurs foreign currency risk on sales and purchases that are entered in a currency other than Pak Rupees. The Company uses forward foreign exchange contracts to hedge its foreign currency risk, when considered appropriate.

42.3.2 Interest / mark-up rate risk

Changes in interest / mark-up rates or in the relationships between short and long term interest / mark-up rates can affect the rates charged on interest / mark-up earning assets differently than the rates paid on interest bearing liabilities. This can result in an increase in interest / mark-up expense relative to finance income or vice versa. The Company manages its floating rate borrowings by fixing caps on rates whenever possible.

The Company's interest / mark-up rate sensitivity position for financial assets and liabilities and the periods in which they will mature or, if earlier, reprice is as follows:

	2008				
	Exposed to interest / mark-up risk			Non interest bearing financial instruments	Total
	Up to three months	Over three months to one year	Over one year		
Financial assets					
Net investment in finance leases and instalment loans - net of related deposits	3,858,180,913	5,711,991,622	6,973,088,116	-	16,543,260,651
Investments	233,643,999	66,365,400	5,907,201	1,378,147,992	1,684,064,592
Long term finance and loans	74,675,328	86,647,045	450,344,808	-	611,667,181
Long term deposits	-	-	-	14,601,545	14,601,545
Short term finance	127,541,357	229,772,041	-	-	357,313,398
Advances and prepayments	73,708,849	-	-	-	73,708,849
Other receivables	-	-	-	657,880,889	657,880,889
Accrued return on investments and term loans	-	-	-	28,109,483	28,109,483
Cash and bank balances	183,709,301	-	-	23,847,963	207,557,264
	4,551,459,747	6,094,776,108	7,429,340,125	2,102,587,872	20,178,163,852
Financial liabilities					
Long term finances	5,286,777,778	3,719,333,334	2,774,742,766	-	11,780,853,878
Long term loans	402,105,475	388,979,055	3,525,670,204	-	4,316,754,734
Certificates of investment	29,911,821	68,095,111	1,159,295,060	-	1,257,301,992
Trade and other payables	-	-	-	206,295,510	206,295,510
Accrued Interest / mark-up on loans and term finances	-	-	-	627,501,158	627,501,158
Short term borrowings	5,654,931	-	-	-	5,654,931
	5,724,450,005	4,176,407,500	7,459,708,030	833,796,668	18,194,362,203
On-balance sheet gap Rupees	(1,172,990,258)	1,918,368,608	(30,367,905)	1,268,791,204	1,983,801,649

	2007				
	Exposed to interest / mark-up risk			Non interest bearing financial instruments	Total
	Up to three months	Over three months to one year	Over one year		
Financial assets					
Net investment in finance leases and instalment loans - net of related deposits	4,156,875,006	5,493,010,291	7,126,280,227	-	16,776,165,524
Investments	130,232,671	23,015,195	23,594,477	1,082,997,156	1,259,839,499
Long term finance and loans	5,707,772	37,394,137	459,448,580	-	502,550,489
Long term deposits	-	-	-	11,906,582	11,906,582
Short term finance	62,377,789	325,793,382	-	-	388,171,171
Advances and prepayments	32,931,853	-	-	-	32,931,853
Other receivables	-	-	-	93,332,541	93,332,541
Accrued return on investments and term loans	-	-	-	12,973,724	12,973,724
Cash and bank balances	42,230,886	-	-	-	42,230,886
	4,430,355,977	5,879,213,005	7,609,323,284	1,201,210,003	19,120,102,269
Financial liabilities					
Long term finances	438,888,889	2,810,722,223	7,765,258,855	-	11,014,869,967
Long term loans	74,259,748	4,000,000	1,028,862,133	-	1,107,121,881
Certificates of investment	2,607,477,395	238,015,780	554,220,866	-	3,399,714,041
Trade and other payables	-	-	-	186,791,000	186,791,000
Accrued Interest / mark-up on loans and term finances	-	-	-	347,965,907	347,965,907
Short term borrowings	619,217,599	639,212,006	-	-	1,258,429,605
	3,739,843,631	3,691,950,009	9,348,341,854	534,756,907	17,314,892,401
On-balance sheet gap Rupees	690,512,346	2,187,262,996	(1,739,018,570)	666,453,096	1,805,209,868

The effective interest / mark-up rates for monetary financial assets and liabilities are mentioned in the respective notes to the financial statements.

42.4 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 the shareholders or issue new shares.

42.5 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values, except investment in associates which are accounted under equity method.

43. EARNINGS PER SHARE - basic and diluted

		2008	2007
Net profit after taxation	Rupees	266,609,560	334,079,065
Weighted average number of ordinary shares	Numbers	69,478,483	69,478,483
Earnings per share - basic and diluted	Rupees	3.84	4.81

44. NON ADJUSTING EVENTS AFTER BALANCE SHEET DATE

The Board of Directors proposed a final dividend for the year ended 30 June 2008 of Rs. 1.5 per share, amounting to Rs. 104,217,719 (2007: Rs. 243,174,691) and proposed bonus issue in the ratio of 3 shares for every 20 shares held of Rs. 104,217,730 (2007: Nil) at their meeting held on September 16, 2008. The appropriation proposed cash dividend and bonus issue will be reflected in the financial statements for the year ended 30 June 2009.

45. GENERAL

45.1 Previous year figures have been rearranged and reclassified where necessary for the purpose of comparison. Major changes represent reclassification due to change in presentation of repossessed leased assets from 'net investment in finance lease' and 'long term deposits' to 'assets classified as held for sale'. Further, legal and professional charges have been reclassified from 'allowance of potential lease and instalment loan losses' to 'administrative and general expenses'. These changes were made for better presentation of transactions in the financial statements of the Company.

45.2 These financial statements were authorised for issue on September 16, 2008, by the Board of Directors of the Company.



KUNWAR IDRIS
Director



HUMAYUN MURAD
Chief Executive

Pattern of Shareholding as at June 30 2008

Number of Shareholders	Shareholding from	to	Total Shares Held
492	1	100	16,251
420	101	500	120,620
262	501	1,000	213,111
457	1,001	5,000	1,092,622
121	5,001	10,000	902,430
37	10,001	15,000	437,295
17	15,001	20,000	322,802
19	20,001	25,000	429,792
8	25,001	30,000	220,616
7	30,001	35,000	233,381
4	35,001	40,000	154,079
3	40,001	45,000	127,792
3	45,001	50,000	146,700
4	50,001	55,000	214,200
3	55,001	60,000	171,073
1	75,001	80,000	79,990
2	100,001	105,000	209,793
1	105,001	110,000	106,156
2	115,001	120,000	234,857
1	125,001	130,000	128,200
1	160,001	165,000	163,112
2	170,001	175,000	345,096
1	175,001	180,000	180,000
2	180,001	185,000	365,101
1	220,001	225,000	220,800
1	225,001	230,000	227,500
1	265,001	270,000	267,500
1	315,001	320,000	315,064
1	340,001	345,000	340,687
2	380,001	385,000	762,437
1	430,001	435,000	431,422
1	450,001	455,000	454,550
1	480,001	485,000	484,690
1	515,001	520,000	517,822
1	560,001	565,000	562,940
1	630,001	635,000	633,500
1	835,001	840,000	837,500
1	895,001	900,000	900,000
1	965,001	970,000	966,000
1	1,165,001	1,170,000	1,165,237
1	2,210,001	2,215,000	2,212,581
1	2,520,001	2,525,000	2,524,853
1	2,600,001	2,605,000	2,600,808
1	3,680,001	3,685,000	3,684,600
1	3,745,001	3,750,000	3,748,611
1	4,335,001	4,340,000	4,336,053
1	34,665,001	34,670,000	34,668,259
1,894			69,478,483

Pattern of Shareholding as at June 30, 2008

Categories of Shareholders	Number of Shares held	Category wise no of Shareholders	Category wise Shares Held	Percentage %
Individuals		1,799	7,707,054	11.09
Investment Companies		6	145,126	0.21
Joint Stock Companies		18	44,451	0.06
Directors, Chief Executive officers and their Spouse and Minor Children				
Mr. Yuki Oshima	500			
Mr. Kiyoshi Fushitani	500			
Mr. Fumihiko Sato	500			
Mr. Kunwar Idris	575			
Mr. Naim Farooqui	33,062			
Mr. S. Saeed Reza	56,555			
Mr. Humayun Murad	131,519			
		7	223,211	0.32
Executives		24	177,022	0.25
NIT/ICP				
National Bank of Pakistan Trustee Deptt.		3	5,154,411	7.42
Associated Companies, Undertakings and Related Parties				
ORIX Corporation		1	34,668,259	49.90
Public Sector Companies and Corporations		-	-	-
Banks, DFIs, NBFCs, Insurance Companies				
Modarbas and Mutual Funds		14	6,732,582	9.69
Foreign Investors		11	13,612,408	19.59
Others		11	1,013,959	1.46
Total		1,894	69,478,483	100.0

ORIX Group Directory

OPERATIONS IN JAPAN

	Principal Business	Established (Acquired)	Direct / indirect Investment
● Corporate Financial Services			
ORIX Corporation Tokyo Sales Headquarters Kinki (Osaka) Sales Headquarters District Sales Headquarters OQL Headquarters	Lending, Leasing, Other Financial Services	Apr. 1964	
ORIX Alpha Corporation	Leasing, Lending	Mar. 1972	100%
Momiji Lease Corporation	Leasing	(Mar. 2002)	95%
NS Lease Co., Ltd.	Leasing, Lending, Other Financial Services	(Jul. 2002)	100%
ORIX Kitakanto Corporation	Leasing, Lending, Other Financial Services	(Jan. 2005)	95%
ORIX Tokushima Corporation	Leasing, Lending, Other Financial Services	(Oct. 2005)	95%
The Chugin Lease Company Limited	Leasing	Apr. 1982	30%
YAMAGUCHI LEASE CO., LTD.	Leasing	May 1983	35%
Hokugin Lease Co., Ltd.	Leasing	Jul. 1983	30%
Nissay Leasing Co., Ltd.	Leasing	Mar. 1984	30%
The Minato Leasing Co., Ltd.	Leasing	Jun. 1984	35%
The Torigin Leasing Co., Ltd.	Leasing	Oct. 1984	45%
Hyakugo Leasing Company Limited	Leasing	Oct. 1984	45%
Shigagin Leasing Capital Co., Ltd.	Leasing	May 1985	34%
Sengin Sogo Leasing Co., Ltd.	Leasing	Oct. 1985	29%
Kagawagin Leasing Co., Ltd.	Leasing	May 1986	30%
● Automobile Operations			
ORIX Auto Corporation	Automobile Leasing & Rentals	(May 1973)	100%
● Rental Operations			
ORIX Rentec Corporation	Test, Measurement, and IT-Related Equipment Leasing and Rentals	Sep. 1976	100%
ORIX Rentec (Singapore) Pte. Limited (Singapore)		Oct. 1995	100%
ORIX Rentec (Korea) Corporation (South Korea)		Apr. 2001	100%
ORIX Rentec (Tianjin) Corporation (China)		Aug. 2004	100%
● Real Estate-Related Finance			
ORIX Corporation Real Estate Finance Headquarters	Real Estate-Related Finance	Apr. 1964	
ORIX Trust and Banking Corporation	Trust & Banking Services, Housing Loans	(Apr. 1998)	100%
ORIX Asset Management & Loan Services Corporation	Loan Servicing	Apr. 1999	100%
● Real Estate			
ORIX Corporation Real Estate Business Headquarters	Real Estate Development & Management	Apr. 1964	
ORIX Estate Corporation	Golf Course Management	(Dec. 1986)	100%
BlueWave Corporation	Training Facility & Hotel Management	Aug. 1991	100%
ORIX Interior Corporation	Real Estate Leasing, Sales and Manufacture of Interior Furnishings, and Driving School Management	Oct. 1998	100%
ORIX Real Estate Corporation	Real Estate Development & Management	Mar. 1999	100%
ORIX Facilities Corporation	Integrated Facilities Management	(Sep. 2001)	100%
ORIX Asset Management Corporation	REIT Asset Management	Sep. 2000	88%
ORIX Golf Management Corporation	Golf Course Management	(Nov. 2004)	100%
ORIX Living Corporation	Senior Housing Management	Apr. 2005	75%
Cross Hotels Corporation	Management of Cross Hotels	Mar. 2006	100%
● Life Insurance			
ORIX Life Insurance Corporation	Life Insurance	Apr. 1991	100%

	Principal Business	Established (Acquired)	Direct / indirect Investment
● Other			
ORIX Corporation Investment Banking Headquarters	Investment Banking	Apr. 1964	
ORIX Insurance Services Corporation	Casualty & Life Insurance Agency	Sep. 1976	100%
ORIX Credit Corporation	Card Loans	Jun. 1979	100%
ORIX Capital Corporation	Venture Capital	Oct. 1983	100%
ORIX Securities Corporation	Securities Brokerage & Online Trading	(Mar. 1986)	100%
ORIX Baseball Club Co., Ltd.	Professional Baseball Team Management	(Oct. 1988)	100%
ORIX Eco Services Corporation	Consulting Related to Waste Processing and Recycling, Environmental Management Support Services	Apr. 1998	100%
ORIX Investment Corporation	Alternative Investment	Jun. 1999	100%
ORIX Resource Recycling Services Corporation	Waste Recycling	Sep. 2002	100%
ORIX M&A Solutions Corporation	M&A & Corporate Restructuring Advisory Services	Feb. 2003	100%
Internet Research Institute, Inc.	Consulting and Investment Business Centered on IP Technology	(Nov. 2007)	100%
ORIX Insurance Planning Corporation	Agency Sales & Development of Non-Life Insurance Products	Sep. 1999	50%
● ORIX Headquarter Functions			
(Not Included in Segment Financial Information)			
ORIX Computer Systems Corporation	Software Engineering & Systems Management	Mar. 1984	100%
ORIX Create Corporation	Coordination of Advertising Activities	Jul. 1998	100%
ORIX Management Information Center Corporation	Accounting & Administrative Services	Oct. 1999	100%
ORIX Callcenter Corporation	Call Center	Nov. 1999	100%
ORIX Human Resources Corporation	Outplacement Services	Feb. 2002	100%

OVERSEAS OPERATIONS (As of March 31, 2008)

	Country	Principal Business	Established (Acquired)	Direct / indirect Investment
● The Americas				
ORIX USA Corporation	U.S.A.	Corporate Finance Investment Banking Real Estate	Aug. 1981	100%
● Asia, Oceania and Europe				
ORIX Corporation International Headquarters ¹ Alternative Investment & Development Headquarters ¹	Japan	Administration of Overseas Activities Ship-Related Services, Aircraft-Related Services, Alternative Investment	Apr. 1964	
ORIX Asia Limited	China (Hong Kong)	Leasing, Automobile Leasing	Sep. 1971	100%
ORIX China Corporation	China	Leasing	Aug. 2005	95%
CHINA RAILWAY LEASING CO., LTD.	China	Railway-Related Leasing	(Jan. 2006)	25%
ORIX Leasing Singapore Limited	Singapore	Leasing, Hire Purchase, Factoring	Sep. 1972	50%
ORIX Investment and Management Private Limited	Singapore	Equity Investment	May 1981	100%
ORIX CAR RENTALS PTE. LTD.	Singapore	Automobile Leasing & Rentals, Hire Purchase	Sep. 1981	45%
ORIX Capital Resources Limited	Singapore	Ship Finance	Nov. 1997	100%
ORIX Ship Resources Private Limited	Singapore	Ship Finance	Nov. 1997	100%
ORIX Maritime Corporation ¹	Japan	Ship-Related Services	Nov. 1977	100%
ORIX Leasing Malaysia Berhad	Malaysia	Leasing, Lending, Hire Purchase	Sep. 1973	100%
ORIX Car Rentals Sdn. Bhd. ²	Malaysia	Automobile Rentals	Feb. 1989	35%
ORIX Auto Leasing Malaysia Sdn. Bhd.	Malaysia	Automobile Leasing	Oct. 2000	100%

	Country	Principal Business	Established (Acquired)	Direct / indirect Investment
PT. ORIX Indonesia Finance ³	Indonesia	Leasing, Automobile Leasing	Apr. 1975	96%
ORIX METRO Leasing and Finance Corporation	Philippines	Leasing, Automobile Leasing, Loans	Jun. 1977	40%
ORIX Auto Leasing Philippines Corporation	Philippines	Automobile Leasing	Sep. 1989	40%
Thai ORIX Leasing Co., Ltd.	Thailand	Leasing	Jun. 1978	49%
ORIX Auto Leasing (Thailand) Co., Ltd. ⁴	Thailand	Automobile Leasing & Rentals	(Aug. 2001)	85%
Acap Advisory Public Company Limited	Thailand	Investment Banking, Asset Management, Loan Servicing	(Nov. 2007)	20%
Lanka ORIX Leasing Company Limited	Sri Lanka	Automobile Leasing, Hire Purchase	Mar. 1980	30%
ORIX Taiwan Corporation	Taiwan	Leasing, Hire Purchase	Oct. 1982	95%
ORIX Auto Leasing Taiwan Corporation	Taiwan	Automobile Leasing	Mar. 1998	100%
ORIX Taiwan Asset Management Company	Taiwan	Loan Servicing	Oct. 2004	95%
ORIX Capital Korea Corporation	Korea	Automobile Leasing, Leasing, Hire Purchase, Loans	Feb. 2004	100%
ORIX Leasing Pakistan Limited	Pakistan	Leasing, Automobile Leasing	Jul. 1986	50%
ORIX Investment Bank Pakistan Limited	Pakistan	Investment Banking, Securities Brokerage	Jul. 1995	40%
ORIX Properties Pakistan Private Ltd.	Pakistan	Real Estate Development and Management	Mar. 2007	67%
INFRASTRUCTURE LEASING & FINANCIAL SERVICES LIMITED	India	Commercialization of Infrastructure Projects, Investment Banking, Corporate Finance	(Mar. 1993)	23%
ORIX Auto Infrastructure Services Limited	India	Automobile Leasing	Mar. 1995	48%
IL&FS Education & Technology Services Limited	India	Education Related Services	(Aug. 2000)	28%
Oman ORIX Leasing Company SAOG	Oman	Automobile Leasing, Hire Purchase, Factoring	Jul. 1994	24%
ORIX Leasing Egypt SAE	Egypt	Leasing	Jun. 1997	34%
Saudi ORIX Leasing Company	Kingdom of Saudi Arabia	Leasing, Automobile Leasing	Jan. 2001	25%
MAF ORIX Finance PJSC	U.A.E.	Leasing	Apr. 2002	38%
ORIX Australia Corporation Limited	Australia	Leasing, Automobile Leasing & Rentals	Jul. 1986	100%
ORIX New Zealand Limited	New Zealand	Leasing, Automobile Leasing & Rentals	Aug. 1988	100%
ORIX Ireland Limited	Ireland	Corporate Finance, Accounting & Administrative Services	May 1988	100%
ORIX Aviation Systems Limited	Ireland	Aircraft Leasing	Mar. 1991	100%
ORIX Aircraft Corporation ¹	Japan	Aircraft Leasing	May 1986	100%
ORIX Polska S.A.	Poland	Leasing, Automobile Leasing	Oct. 1995	100%
BTA ORIX Leasing JSC	Kazakhstan	Leasing, Factoring	(Jun. 2005)	40%

*1 ORIX Corporation's International Headquarters and Alternative Investment & Development Headquarters as well as ORIX Maritime Corporation and ORIX Aircraft Corporation are based in Japan and are engaged in business activities centered on the Asia, Oceania and Europe region. However, a portion of those units' business involves domestic assets, and within segment information these domestic assets are included within the Other business category.

*2 Percentage of voting rights is 100%.

*3 Percentage of voting rights is 85%.

*4 Percentage of voting rights is 70%.

Parent Company

ORIX CORPORATION

4-1-23, Shiba, Minato-ku,
Tokyo 108-0014, Japan
Tel: 81-3-5419-5041
Fax: 81-3-5419-5901

ORIX LEASING PAKISTAN LIMITED

ASSOCIATED COMPANIES

Overseas Joint Ventures

Oman ORIX Leasing Company SAOG

Office No. 23 & 33, Rumaila 106
Wattayah, P. O. Box 106
Postal Code 118, Muscat
Sultanate of Oman
Tel: (968) 24565612
Fax: (968) 24565610

ORIX Leasing Egypt SAE

5th Floor, Cairo Center Building
2, Abd El Kader Hamza Street
Garden City, Cairo 11461, Egypt
Tel: (202) 7922757-9
Fax: (202) 7922760

Saudi ORIX Leasing Company

P.O. Box 22890, Riyadh 11418
343 AlMa'ather Street, Riyadh
Kingdom of Saudi Arabia.
Tel: (9661) 2997777
Fax: (9661) 2997770

MAF ORIX Finance PJSC

5th Floor, Deira City Centre
Office Building
P.O. Box 22600, Dubai
United Arab Emirates
Tel: (9714) 2952200
Fax: (9714) 2940940

BTA ORIX Leasing JSC

5th Floor, 38, Tulebaev Street
Almaty
Republic of Kazakhstan
Tel: (77272) 718546, 509085, 502962, 507979
Fax: (77272) 718545

Joint Venture in Pakistan

ORIX Investment Bank Pakistan Limited

2nd Floor
Islamic Chamber of Commerce Building
ST2/A, Block 9, Clifton
Karachi-75600
Tel: (9221) 5861266
Fax: (9221) 5868862

ORIX Properties Pakistan (Private) Ltd.

42, E/1, Gulberg III
Lahore
Tel: (042) 5777820-21
Fax: (042) 5777819

Karachi

Registered Office & Head Office

Overseas Investors Chamber of
Commerce Building
Talpur Road, Karachi-74000, Pakistan
Tel: 021-2426020-9
Fax: 021-2432604, 2425897, 2424315

Consumer Auto Division & Operating Lease

19-B, Sindhi Muslim Co-operative
Housing Society, Shahra-e-Faisal, Karachi.
Tel: 021-4389670-79
Fax: 021-4549624

E-Business Division

601 & 602 STSM Foundation Building,
CL-10/20/2, Beaumont Road,
Civil Lines, Karachi-75530
UAN: 111-767-657
Tel: 021-5656301
Fax: 021-5656329

Gulshan-e-Iqbal

Plot No. SB-14, Block 13-C,
Main University Road
Gulshan-e-Iqbal Karachi
Tel: 021-4830449-53
Fax: 021-4830448

North Nazimabad

S B -54, Block K, North Nazimabad
Karachi
Tel: 021-6702126, 6702142

North Karachi

Ground Floor, Plot No. R-14
Sector 11-K, North Karachi
Tel: 021-6996812

Quetta

Office No 21-22, First Floor, Ahmed Complex
M.A, Jinnah Road, Quetta
Tel: 081-2842383
Fax: 081-2842356

Lahore

4-J, Gulberg-111, Near Firdous Market, Lahore
Tel: 5842560-1, 5842171, 5842964
Fax: 042-5845975, 5845974

Queens Road

Office No. 2, Ground Floor (S-41-R-30-A)
Shah Centre, Queens Road, Lahore
Tel: 042-6307684-5

Shah Alam Market

35/155, Circular Road
Shah Alam Market, Lahore
Tel: 042-7351986

Batapur / Jallo More

Main G.T. Road, Batapur, Lahore
Tel: 042-6584511

Chunian

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

Kot Abdul Malik

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

Sheikhupura

Ground Floor, Sharif Plaza
Sargodha Road, Sheikhupura
Tel: 056-3788040
Fax: 056-3788041

Renala Khurd

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

District Kasur / Pattoki

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

Faisalabad

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

Sargodha

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

Sahiwal

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

Jhang

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

Mianwali

E/56, Fazal Shah Street,
Mohalla Zada Khel, Mianwali
Tel: 045-9381203
Fax: 045-9381180

Circular Road Faisalabad

Office 7 & 8, 2nd Floor
Ashraf But Centre
P-156, Circular Road, Faisalabad
Tel: 041-2412051
Fax: 041-2412054

Sialkot

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

Mandi Bahauddin

1st Floor PIA Building
Kachery Road, Mandi Bahauddin
Tel: 0546-500506
Fax: 0546-500507

Gujrat

4th Floor, State Life Building
G.T. Road, Gujrat
Tel: 0433-515282

Gujranwala

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

Islamabad

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

Rawalpindi

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

Talagang Branch

Sheikh Centre, near Eid Gah, Mainwali Road
Talagang, District Chakwal
Tel: 0543-413916
Fax: 0543-413917

Wah Cantt

1st Floor, Mall View Plaza, Sector A
Shah Wali Colony, The Mall Road,
Wah Cantt. Distt. Rawalpindi
Tel: 051-4533591
Fax: 051-4533692

Mirpur A. K.

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

Chakwal

1st Floor, Abbas Khan Gulsher Khan Firm
Talagang Road, Chakwal
Tel: 0543-543523

Hyderabad

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

Sukkur

5th Floor, State Life Building
Minara Road, Sukkur
Tel: 071-527907-8

Mirpurkhas

1st Floor, State Life Building, Mirpurkhas
Tel: 0300-3301140

Multan

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

Rahim Yar Khan

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

Bahawalpur

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

Vehari Branch

Jinnah Road, Vehari
Tel: 067-3364795

Peshawar

1st Floor, State Life Building,
The Mall, Peshawar
Tel: 091-5279789, 5278647
Fax: 091-5273389

Kohat Branch

Pir Saadullah Shah Market
Kachery Chowk, Hangu Road, Kohat
Tel: 0922-520832
Fax: 0922-520837

Abbotabad

Ground Floor, Opposite GPO
Cantt Bazar, Abbotabad
Tel: 0992-343888
Fax: 0992-340370

Mingora

First Floor Swat Market
G.T. Road Mingora Swat
Tel: 0946-722620, 0300-5749249

UAN: 111-24-24-24

E-mail: olp@orixpakistan.com

Website: www.orixpakistan.com

Proxy Form



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 Second Annual General Meeting of the Company to be held on October 22, 2008 and at any adjournment thereof.

Signature this _____ (day) _____ (date, month) _____ Year 2008

Signature of Member : _____

Folio Number : _____

Number of shares held : _____

Please affix
revenue stamp

Signatures and addresses of witnesses

Signature and Company seal

1. _____
2. _____

1. A Member entitled to attend and vote at a General Meeting is entitled to appoint a Proxy to attend and vote instead of him / her.
2. The instrument appointing a Proxy shall be in writing under the hand of the appointer or of his / her attorney duly authorised in writing, if the appointer is a corporation, under its common seal or the hand of an officer or attorney duly authorised. A Proxy need not be a Member of the Company.
3. The instrument appointing a Proxy, together with the Power of Attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited at the Registered Office of the Company not less than 72 hours before the time of holding 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 National Identity Card or Passport with him / her to prove his / her identity, and in case of proxy, must enclose an attested copy of his / her National Identity Card 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.