ANNUAL REPORT 2009

ORIX

ORIX LEASING PAKISTAN LIMITED

Design: Creative Unit

MISSION

ORIX seeks its development through 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.

VISION

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.

CORPORATE LEASE

ORIX is known for its efficient and competitive financing. Our innovative CORPORATE LEASE packages are especially designed for business so that productivity can be expanded in large, medium and small scale industry.

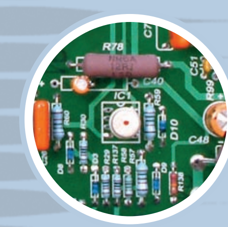
AUTO & COMMERCIAL VEHICLE LEASING

With the ever increasing need for mobility, ORIX AUTO LEASE helps you to choose from the wide range of cars the market has to offer and our COMMERCIAL VEHICLES DIVISION keeps the road transport industry moving by financing trucks, prime movers, trailers etc. Our documentation and procedures are simple and we have easy rental plans to suit individual needs.

OPERATING LEASE (Rentec)

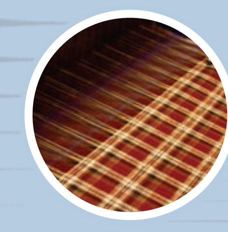
Our specialized RENTEC DIVISION provides the most reliable and competitive power generating packages. To make life easier, it offers a full range of equipment and complete maintenance. An uninterrupted power supply means you have peace of mind knowing your business can run non-stop.

E-BUSINESS



ORIX's e-BUSINESS has helped expand the use of credit, debit, fleet and loyalty cards in Pakistan. We provide state-of-the-art network to process plastic card transactions for leading banks and corporations covering 200 towns and cities with over 11,000 point of sale terminals operating 24/7.

MICRO FINANCE



We believe the best way to alleviate poverty long term is to make the poorest section of our society more productive. This in turn helps to improve our nation's living standards and health.

We play our role in this area by providing financing to start new small scale businesses or expand existing ones by enabling micro-entrepreneurs to buy equipment, ranging from sewing machines to rickshaws and beyond, as well as raw material. We are particularly pleased to assist women entrepreneurs, who find it more difficult to secure financing.

CERTIFICATES OF DEPOSIT

ORIX CODs deliver excellent returns from the widest range of saving schemes (ranging from 1 month to 10 years) and personalised service. ORIX enjoys the highest credit rating of any leasing company (PACRA rating A1+ for short term and AA for long term), which means that your investment is secure.

CONTENTS

COMPANY INFORMATION

Board of Directors

Mr. Makoto Inoue	Chairman
Mr. Kunwar Idris	Non Executive Director
Mr. Hideo Ichida	Non Executive Director
Mr. Fumihiko Sato	Non Executive Director
Mr. Sohail Hashmi	Nominee of State Life Insurance Corporation
Mr. Shahid Usman	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. Humayun Murad	
Mr. S. Saeed Reza	

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. Arshad Nawab	Chief Executive - Investment Banking Division
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 Resources
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. Mujahid Ali Mirza	Head - Business Control

Banks and Lending Institutions

Allied Bank Limited	International Finance Corporation
Bank Alfalah Limited	National Bank of Pakistan
Citibank N.A.	Pakistan Poverty Alleviation Fund
Citibank Japan Limited	Standard Chartered Bank (Pakistan) Limited
Habib Bank Limited	Swiss Agency for Development and Co-operation
HSBC Bank Middle East Limited	The Bank of Tokyo - Mitsubishi UFJ, Limited
ING Bank Limited, Japan Branch	United 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
Mezzanine Floor, House Of Habib Building (Siddiqsons Tower)
3 - Jinnah C.H. Society, Main Shahrah-e-Faisal, Karachi-75350

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 groups 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 worldwide and diversified over a wide range of products. ORIX has a record of sustained growth over the years by pursuing new profit earning opportunities through specialized capabilities and broadening operational scope. The Group's fundamental strength lies in its ability to keep one step ahead of the competition by identifying and developing new business opportunities.

As a global group, ORIX's profitability has been affected by the severity of the worldwide economic downturn. Pre-tax profits for the year ended March 31, 2009 were US$ 103 million and its asset base was US$ 85 billion on that date. In the previous year, pre-tax profits were almost US$ 2.5 billion.

ORIX CORPORATION, JAPAN - FINANCIAL HIGHLIGHTS

	US Dollars (millions)	
	March 31, 2009	March 31, 2008
Total Revenues	**10,952**	11,519
Profit Before Tax	**103**	2,493
Shareholders' Equity	**11,886**	12,655
Total Assets	**85,205**	89,779

ORIX'S PRINCIPAL ACTIVITIES

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

ASSOCIATED COMPANIES

OVERSEAS ASSOCIATES

The Company's international activities started in 1993 with the establishment of a leasing company in Oman. Since then, associates have been established in Egypt, Saudi Arabia, UAE and Kazakhstan. ORIX Leasing Pakistan Limited's (OLP) 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 provide lease financing for equipment and vehicles, focusing mainly small and medium sized entities (SMEs) spread across a wide range of industries as well as consumers. Strong emphasis is placed on customer service, prudent operating policies and development of human resources.

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

Company	OLP's Holding %	LCY	Pre-tax Profit Year to Dec 2008		Total Assets at Dec 31, 2008		Pre-tax Profit Half Year June 2009	
			LCY in 000s	Rs in millions	LCY in 000s	Rs in millions	LCY in 000s	Rs in millions
OOLC	11.64	RO	2,764	586	68,760	14,568	1,044	221
OLE	23.00	LE	14,258	208	346,647	5,067	6,763	99
SOLC	10.00	SR	37,978	824	1, 151,896	24,992	21,893	475
MAFO	03.00	AED	25,966	575	477,010	10,569	13,336	295
BTAO	10.00	KZT	75,961	42	6,046,884	3,319	(93,823)	(51)

ASSOCIATES IN PAKISTAN

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 objective of the Company is to acquire, develop and manage real estate projects.

NOTICE OF MEETING

Notice is here by given that the Twenty-Third Annual General Meeting of the Company will be held at Beach Luxury Hotel, M.T.Khan Road, Karachi, on Tuesday, October 27, 2009 at 9:30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements together with the Directors' Report and Auditors' Report for the year ended June 30, 2009.
2. 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.

SPECIAL BUSINESS (Statement Attached)

3. To transmit quarterly accounts on the Company's website.
4. To approve remuneration of the Chief Executive and Director.
5. To transact any other business with permission of the Chair.

Karachi: September 30, 2009

BY ORDER OF THE BOARD

RAMON ALFREY
Company Secretary

Notes:

i) The Register of Members of the Company shall remain closed from October 21, 2009 to October 27, 2009 (both days inclusive). Transfers received in order at our registrars, Messrs. Noble Computer Services (Private) Limited, Mezzanine Floor, House of Habib Building (Siddiqsons Tower) 3-Jinnah Cooperative Housing Society, Main Shahrah-e-Faisal, Karachi by the close of business on October 20, 2009, will be treated as being in time for the purpose of attending meeting.

ii) 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.

iii) The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially certified copy of the power of attorney must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. A form of proxy is enclosed. Shareholders are requested to notify any change of address immediately.

iv) 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 Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

(ii) In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature of the nominees shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For appointing proxies:

i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form accordingly.

(ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

(iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

(iv) The proxy shall produce his/her original CNIC or original passport at the time of meeting.

(v) In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

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. 3 OF AGENDA - Transmission of quarterly accounts on Company's website

Under section 245 of the Companies Ordinance, 1984 (read with various circulars and notifications issued from time to time) listed companies are required to prepare and transmit their quarterly accounts either by post to the shareholders or publish the same in two leading daily newspapers.

The Securities and Exchange Commission of Pakistan (“SECP”) vide its Circular No. 19 of 2004 issued vide letter No. CLD/DII/51/2003 dated 14 April 2004 decided that the requirements of section 245 of the Companies Ordinance, 1984 would be treated as complied with (subject to the fulfillment of certain conditions including seeking the consent of its shareholders in general meeting as mentioned in the above referred circular) if the quarterly accounts are placed on the Company's website.

In order to ensure timely availability of the information to stakeholders and save the cost of printing and dispatching of quarterly accounts, the Board of Directors has recommended (subject to the approval of relevant Stock Exchanges and SECP) to place quarterly accounts on Company's website instead of circulating the same by post to the shareholders. It is, therefore, proposed to pass the following as an Ordinary Resolution:

“RESOLVED that quarterly accounts of the Company be placed on its website instead of circulating the same by post to the shareholders, subject to the approval required under the Securities and Exchange Commission of Pakistan's Circular No. 19 of 2004 dated 14 April 2004.”

“RESOLVED FURTHER THAT the Chief Executive or the Company Secretary be and are hereby authorized to complete the necessary corporate and legal formalities in connection with the above.”

The Directors are not interested in this business except as shareholders of the Company.

ITEM No. 4 OF AGENDA - Remuneration of Chief Executive and Director

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 Director, Mr. S. Saeed Reza for payment of remuneration not exceeding Rs. 17.9 million for the year ending June 30, 2010 (2009: Rs. 17.04 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 (OLP / the Company) present the Twenty Third Annual Report together with the audited financial statements of the Company for the year ended June 30, 2009.

The shareholders of the Company and ORIX Investment Bank Limited (OIB) in their respective Extraordinary General Meetings held on June 29, 2009, decided to amalgamate OIB with OLP. Having received SECP's consent to the scheme of amalgamation, these financial statements reflect the combined results of both companies.

FINANCIAL RESULTS

It is with regret that the Directors report the first loss in the Company's 23 year history.

	Rupees in '000
OLP's loss	(292,576)
OIB's loss	(174,520)
Loss after taxation	(467,096)
Add: Unappropriated profit brought forward	332,184
Less: cash dividend - year ended June 30, 2008	(104,218)
Loss carried forward	(239,130)
Earnings per share - Basic and diluted	(5.85)

In view of the loss for the year, Directors do not recommend a dividend.

REVIEW OF OPERATIONS

OLP's loss of Rs. 292.6 million is a direct result of the financial crisis which beset the Country in October 2008. Its consequences were felt in three areas:

- Lease disbursements fell by 43% to Rs. 6.2 billion (2008: Rs. 10.8 billion) due to liquidity constraints.
- Financial charges attributable to OLP's operations increased by Rs. 355 million due to sharp rise in funding cost.
- Additional provision of Rs. 169 million had to be made against delayed rental receipts.

The global financial crisis which started in 2008 is unprecedented in its severity since the great depression of the 1930's. Almost all countries registered sharp contraction in GDP and non availability of credit led to record bankruptcies around the world. Pakistan experienced similar adverse conditions and bank credit for private sector almost dried up. OLP could not raise new loans and was left with no option but to utilise available cash flow from rent recoveries towards loan repayments. The Directors are pleased to advise that the Company met every single loan repayment on time and a total of Rs. 5.5 billion was repaid in the fiscal year ended June 30, 2009. This was made possible by strong lease recoveries, including early terminations, which amounted to Rs. 10.3 billion (2008: Rs. 10.6 billion).

REVENUE

Fall in disbursements resulted in the lease portfolio contracting to Rs. 19.5 billion from Rs. 23.5 billion last year. Despite the sharp fall in lease receivables, revenue from finance lease and instalment loans at Rs. 2.39 billion was at same level of Rs. 2.42 billion earned last year. This was achieved through higher lease rates.

Of the assets leased, passenger cars accounted for 46%, machinery and equipment for 38%, and commercial vehicles for 16%. Corporate leases comprise 75% of the Company's lease portfolio whereas auto and consumer finance for individuals accounts for the balance 25%. Within the corporate lease portfolio, highest exposure of 11.37% is to Transport and Communications sector, thereby ensuring diversity in both product and sector exposure.

Operating lease revenues were 10% higher at Rs. 590 million (2008: Rs. 535 million). Improved receipts from Generator rentals were primarily responsible for the higher revenue. The Generator rental business remains strong and the Company will look to expand it fleet of generators in the coming year.

FINANCIAL CHARGES

Financial charges for the year amounted to Rs. 2,570 million of which Rs. 2,488 million relates to OLP's own operations. OLP's finance cost was 17% higher than last year's figure of Rs. 2,133 million. The Company's borrowings (excluding borrowings attributable to OIB) fell by Rs. 919 million to Rs. 16.44 billion (2008: Rs. 17.36 billion), however, financial charges on OLP's borrowings were still Rs. 355 million higher as funding cost rose sharply during the year.

GENERAL AND ADMINISTRATIVE EXPENSES

Administrative and general expenses amounted to Rs. 651 million. Administrative expenses relating directly to OLP's operations increased by 19% to Rs. 613 million from Rs. 517 million last year. The increase largely reflects inflationary impact. Since October 2008, OLP took a number of steps to reduce costs. These include:

- Freeze on salary increments.
- Reduction in senior staff salaries in the range of 6.5% - 15% for the five month period February 2009 - June 2009.
- Reduction in rent cost. The Company's own building in Korangi was completed last year and many departments were shifted there from rented premises. The Head Office, however, remains at the Overseas Investors Chamber of Commerce Building, off I.I. Chundrigar Road, Karachi.

Full impact of these measures will be more noticeable in the fiscal year to June 30, 2010.

DIRECT COST OF LEASES

Direct cost of leases, which mainly comprise of maintenance, depreciation and insurance costs of operating lease business amounted to Rs. 374 million (2008: Rs. 343 million). The 9% increase was in line with higher operating lease revenues.

ALLOWANCE FOR POTENTIAL LEASE AND OTHER LOAN LOSSES

In view of deteriorating economic conditions and liquidity shortage affecting many businesses, higher provisions were made. Of the total charge of Rs. 324 million, Rs. 50 million relates to assets taken over from OIB and the balance Rs. 274 million is in respect of OLP's lease loan portfolio (2008: Rs. 105 million).

IMPAIRMENT LOSS

As allowed by SRO 150 (1) dated February 13, 2009 and further described in note 12.5 to the financial statements, for the half year ended December 31, 2008, investment in equity securities held as available for sale were valued at prices quoted on the stock exchanges as of December 31, 2008 and an impairment loss of Rs. 56.47 million was shown in equity under the head of "unrealised loss on remeasurement of available for sale investment securities". At June 30, 2009, the above impairment loss after adjustment of subsequent price movement amounted to Rs. 54.9 million out of which Rs. 27.33 million has been taken to profit and loss account and the balance, subject to price movements, will be recognised in the remainder of the calendar year ending December 31, 2009. Had impairment loss been transferred to profit and loss account the unrealised loss on remeasurement of available for sale securities would have decreased by Rs. 27.56 million with consequential effect on revenue.

AMALGAMATION OF ORIX INVESTMENT BANK PAKISTAN LIMITED (OIB)

OIB, an associated company, had suffered huge losses during the past two years and its position deteriorated further in wake of the financial crisis of October 2008. As at December 31, 2008 its current liabilities exceeded current assets by Rs. 111.14 million and its investment financing license could not been renewed as it did not have the required minimum equity. If the situation had continued, OIB would have eventually gone into liquidation and this would have seriously damaged ORIX's reputation in the financial market, which reputation is critical for the continuing growth of OLP's business.

To address this situation, Shareholders of OLP and OIB in their respective Extraordinary General Meeting held on June 29, 2009 approved a Scheme of Amalgamation (the Scheme) under Section 282 L of the Companies Ordinance, 1984 which was subsequently approved by the Securities and Exchange Commission of Pakistan. Under the Scheme, the entire undertaking of OIB including all movable and immovable properties, assets and liabilities and all rights and obligations of OIB have been amalgamated with and into OLP with effect from January 1, 2009. In consideration for the amalgamation, under the Scheme, share holders of OIB shall be allotted 1 share in OLP for every 43 shares held by them in OIB. Consequently, OLP will issue 2,152,674 shares as a result of this swap ratio.

ASSOCIATED COMPANIES

The Company's share in profit of associates' increased by 57% to Rs. 92.2 million (2008: Rs. 58.8 million).

Good contributions were made by Saudi ORIX Rs. 57 million (2008: Rs. 42 million) Oman ORIX Rs. 49 million (2008: Rs. 53 million), ORIX Leasing Egypt Rs. 40 million (2008: Rs. 35 million) and MAF ORIX Rs. 16 million (2008: Rs. 12 million).

Due to the ongoing economic downturn in Kazakhstan which started in 2007, a year earlier than the rest of world, leasing business there has suffered significant contraction due to non availability of credit. As a result, BTA ORIX (BTAO) reported a loss of Rs. 10.4 million (2008: Profit Rs. 18.4 million). In light of the sudden reduction in business, BTAO's Board of Directors deferred the proposed Rights Issue announced last year. On October 22, 2008 OLP's share holders had approved investment of approximately Rs. 85 million in BTAO's proposed Rights Issue. This investment has not been made, and will only be made after OLP shareholders' approval if conditions for BTAO improve strongly.

Details of associated companies' results are given in notes 7.1.4 and 31 to the financial statements.

STAFF

The Company's staff showed exemplary dedication and loyalty under extremely difficult economic circumstances. Management places on record its appreciation for their tireless efforts in rental recovery / client management and for their personal sacrifices in foregoing annual increments and accepting salary cuts.

FUTURE PROSPECTS

The Board is pleased to inform that OLP's operations are showing steady recovery as economic conditions are improving. Liquidity is improving gradually and interest rates have fallen. The Company's loans have recently been re-priced downwards and future borrowing costs are expected to fall. Compared to a loss of Rs. 153 million in the March - June 2009 quarter, for OLP's own operations, the first quarter of the current fiscal year should record a much lower loss. Baring any unforeseen circumstances, OLP expects to return to profitability by the second quarter. Having acquired OIB's operations, costs relating to administering their assets are being reduced quickly and future loss relating to this is also expected to fall substantially.

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, 2009. Review Report on compliance with best practices of the Code of Corporate Governance by 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 Accounting 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, 2009 are stated in the Director's Report.

ix. Key operating and financial data for the last six years in summarized form is given at page 18.

x. The value of investments of recognised the provident fund as at June 30, 2008 was Rs. 141.73 million (audited) and as at June 30, 2009 was Rs. 151.65 million (un-audited). The value of investments of the Company's recognised gratuity fund as at June 30, 2008 was Rs. 63.68 million (audited) and as at June 30, 2009 was Rs. 75.75 million (un-audited).

xi. 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 six 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. Makoto Inoue (Non Resident) **	0	Mr. Sohail Hashmi	6
Mr. Yuki Oshima (Non Resident) *	1	Mr. Shahid Usman **	0
Mr. Kunwar Idris	6	Mr. Naim Farooqui *	3
Mr. Hideo Ichida (Non Resident) **	0	Mr. Saeed Reza	5
Mr. Kiyoshi Fushitani (Non Resident) *	0	Mr. Humayun Murad	6
Mr. Fumihiko Sato (Non Resident)	6		

** Appointed during the year.
* Resigned during the year.

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

BOARD CHANGES

On February 25, 2009, consequent to their reassignment within ORIX Corporation, Mr. Yuki Ohsihma resigned as Chairman and Director and Mr. Kiyoshi Fushitani resigned as Director. To fill the vacancies, Mr. Makato Inoue, Head of International Division of ORIX, and Mr. Hideo Ichida were appointed as Directors. Mr. Inoue was elected as Chairman of the Board.

On April 1, 2009 Mr. Naim Farooqui resigned as Director. Mr. Shahid Usman was appointed Director on the Board on April 27, 2009 to fill the casual vacancy caused by Mr. Farooqui's resignation.

The Board wishes to place on record it's appreciation for the valuable contribution made by the outgoing Directors and welcomes the new Directors.

CREDIT RATING

Based on the Company's results for the year ended June 30, 2008 and subsequent downfall in the business, the Pakistan Credit Rating Agency (PACRA) has lowered the entity rating from AA+ to AA for long term senior unsecured creditors and maintained 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, 2010.

PATTERN OF SHAREHOLDING

The pattern of Shareholding as on June 30, 2009 is given at page 71.

The Board wishes to thank SECP for its support and guidance in the exercise to merge OLP and OIB. Particular thanks are also due to the Company's clients for their patience, understanding and cooperation in accepting unavoidable rate increases caused by sharp rise in interest rates.

On behalf of the Board

Humayun Murad
Chief Executive

Dated: September 30, 2009

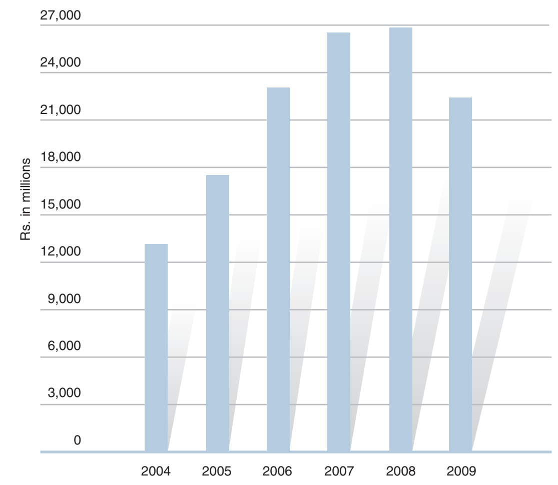
SIX YEARS' FINANCIAL SUMMARY

(Rupees in millions)

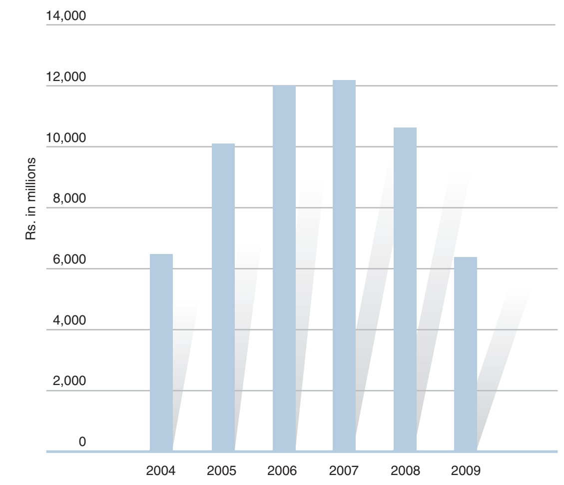
	2009	2008	2007	2006	2005	2004
Operating Results						
Total disbursments	**6,251**	10,789	12,142	11,932	10,105	6,544
Revenues	**3,491**	3,450	3,012	2,455	1,620	1,556
Lease revenue	**2,983**	2,955	2,726	2,102	1,481	1,476
(Loss) / Profit before tax	**(429)**	351	396	455	360	306
(Loss) / Profit after tax	**(467)**	267	334	396	321	266
Financial charges	**2,570**	2,133	1,806	1,285	583	519
Allowance for potential lease, instalment and other loan losses	**324**	105	58	52	80	63
Proposed dividend	**–**	208*	243	243	181*	181
Balance Sheet						
Gross lease receivables	**22,229**	26,815	26,665	22,951	17,326	13,288
Shareholders' equity	**2,078**	2,604	2,379	2,325	2,000	1,846
Fixed assets	**1,122**	832	751	767	684	659
Long term debts	**12,991**	14,676	9,348	7,500	5,210	4,539
Total borrowing	**17,558**	17,011	16,780	15,649	11,114	7,757
Long term investments	**1,838**	1,401	1,107	1,090	1,004	504
Financial Ratios						
Profit before tax	**-12.3%**	10.2%	13.1%	18.5%	23.1%	19.7%
Proposed dividend	**0.0%**	30.0%	35.0%	35.0%	30.0%	30.0%
Return on assets	**-2.2%**	1.3%	1.7%	2.4%	2.7%	2.7%
Return on equity	**-20.0%**	10.7%	14.2%	18.3%	16.7%	14.9%
Income / expense ratio	**1.0**	1.1	1.2	1.2	1.4	1.3
(Loss) / Earning per share (Rs.)	**(5.8)**	3.3	4.8	5.7	4.6	4.4
Price earning ratio	**(1.4)**	6.6	6.2	4.5	6.4	8.2
Market Value per Share (Rs.)	**8.0**	25.0	29.8	25.7	29.7	36.3
Book Value per share (Rs.)	**26.0**	37.5	34.2	33.5	33.1	30.6
Debt / Equity ratio	**8.4**	6.7	7.1	6.7	5.6	4.2
Current ratio	**1.9**	2.4	1.1	1.0	1.0	1.3

* Includes cash and bonus

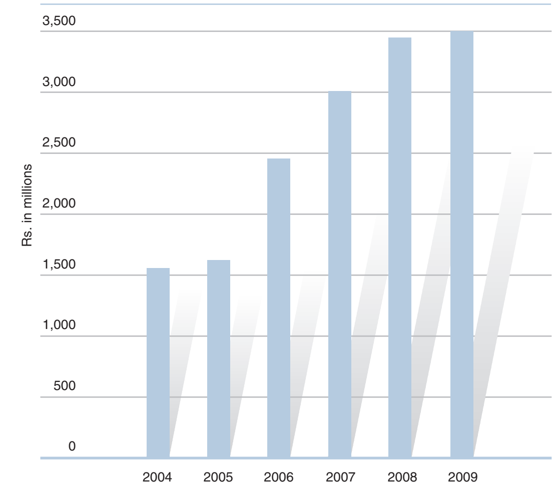
GROSS LEASE RECEIVABLES



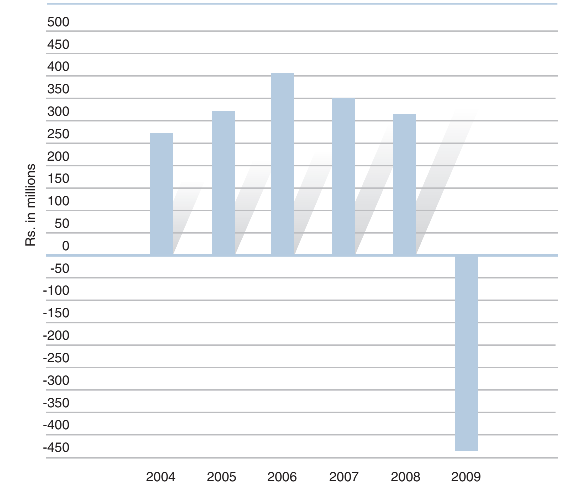
DISBURSEMENTS



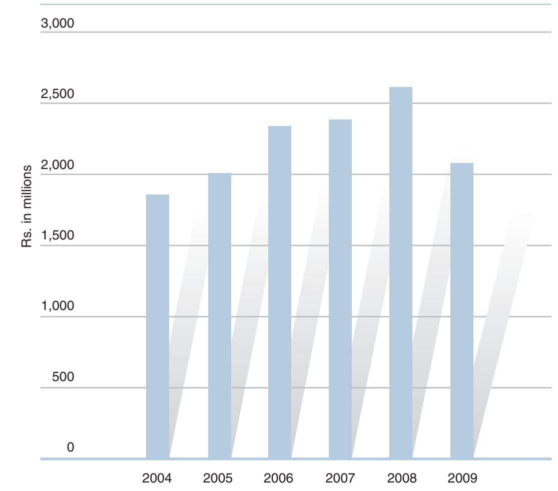
REVENUES



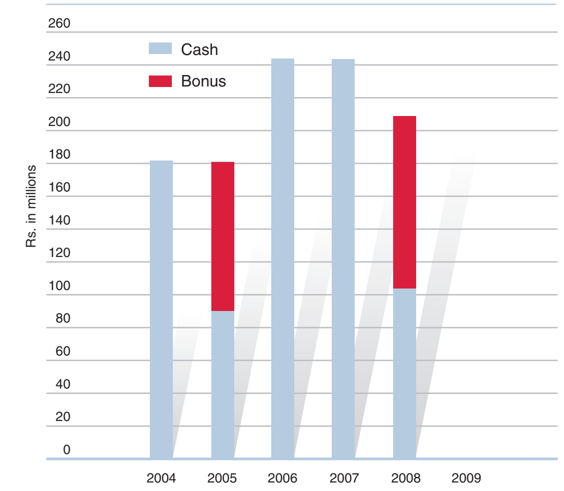
PROFIT BEFORE TAX



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 three 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 three casual vacancies occurred in the Board which were duly filled.

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 meeting 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 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 30, 2009

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

	2009	%	2008	%
Revenues from operations	**2,853,489,783**		3,000,321,409	
Other income	**221,477,084**		285,911,564	
Share of profit of associates	**92,214,776**		58,865,368	
	3,167,181,643		3,345,098,341	
Financial cost	**2,372,675,769**		1,967,285,020	
Direct cost of leases and services	**513,677,965**		398,205,140	
	2,886,353,734		2,365,490,160	
Value Added	**280,827,909**	100	979,608,181	100
Distrubuted as follows:				
Remuneration	**314,388,455**	112	270,818,489	28
Taxes	**38,381,763**	14	85,000,000	9
Profit on investments	**197,334,880**	70	166,063,827	17
Cash dividend	**–**	–	104,217,719	11
Depreciation	**197,819,154**	70	191,116,305	20
Capital reserves and retained profits / (loss)	**(467,096,343)**	(166)	162,391,841	17
	280,827,909	100	979,608,181	100

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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 ("the Company") 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.

Further, Sub- Regulation (xiii a) of Listing Regulation No. 35 (previously Regulation No. 37) notified by The Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated 19 January 2009 requires the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price.

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 the year ended 30 June 2009.

KPMG Taseer Hadi & Co.
Chartered Accountants

Karachi: September 30, 2009

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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 2009 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

   iiii) 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 2009 and of the loss, 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.

KPMG Taseer Hadi & Co.
Chartered Accountants
Mohammad Mahmood Hussain

Karachi: September 30, 2009

BALANCE SHEET

as at June 30, 2009

	Note	2009	2008
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,121,880,653	832,333,073
Stock exchange membership cards and rooms	5	80,450,000	–
Net investment in finance leases and instalment loans	6	19,523,230,601	23,508,540,252
Current maturity		9,307,268,900	10,073,018,534
Allowance for potential lease and instalment loan losses	35	387,838,657	265,672,818
		9,695,107,557	10,338,691,352
		9,828,123,044	13,169,848,900
Long term investments	7	1,838,187,190	1,400,840,672
Long term finances and loans	8	581,652,268	458,501,570
Long term deposits		15,339,206	14,601,545
		13,465,632,361	15,876,125,760
Current assets			
Short term finances	9	459,989,309	357,313,398
Accrued return on investments and term loans	10	53,666,489	28,109,483
Current maturity of non-current assets	11	9,790,623,089	10,247,889,401
Short term investments	12	1,467,281,016	261,518,664
Advances and prepayments	13	72,870,550	102,990,169
Other receivables	14	1,217,527,948	657,880,889
Cash and bank balances	15	628,886,878	207,557,264
Taxation - net		107,223,085	–
Assets classified as held for sale	16	59,506,055	75,595,216
		13,857,574,419	11,938,854,484
Total assets	Rupees	27,323,206,780	27,814,980,244
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
350,000,000 (2008:100,000,000) Ordinary shares of Rs. 10 each		3,500,000,000	1,000,000,000
Issued, subscribed and paid-up capital	17	799,002,560	694,784,830
Shares to be issued	17.1	21,526,740	–
Capital reserves		1,052,603,499	1,156,821,229
Revenue reserves		204,777,686	752,262,319
		2,077,910,485	2,603,868,378
Non-current liabilities			
Long term finances	18	8,100,983,539	9,913,742,769
Long term loans	19	3,864,825,839	3,602,959,387
Long term certificates of deposit	20	1,025,502,581	1,159,295,060
Long term deposits	21	4,598,441,563	5,195,174,425
Deferred taxation	22	217,476,715	304,170,750
		17,807,230,237	20,175,342,391
Current liabilities			
Trade and other payables	23	257,324,868	206,295,510
Accrued interest / mark-up on loans and term finances	24	881,944,734	627,501,158
Short term borrowings	25	712,850,000	5,654,931
Short term certificates of deposit	26	583,798,282	43,075,880
Current maturity of non-current liabilities	27	5,002,148,174	4,140,269,867
Taxation - net		–	12,972,129
		7,438,066,058	5,035,769,475
Total equity and liabilities	Rupees	27,323,206,780	27,814,980,244
Commitments	28		

The investments in equity securities held as 'available for sale' are valued at prices quoted on the stock exchange as of 30 June 2009 and the resulting decline in market value below cost is reported in the 'unrealised gain/(loss) on remeasurement of available for sale securities in equity. Had the impairment loss been transferred to profit and loss account, the unrealised loss on remeasurement of available for sale securities would have been decreased by Rs. 27.56 million with consequential effect on 'reserves' (see note 12.5).

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

HUMAYUN MURAD
Chief Executive

KUNWAR IDRIS
Director

PROFIT AND LOSS ACCOUNT

for the year ended June 30, 2009

		Note	2009	2008
INCOME				
Income from operations				
Finance leases and instalment loans		29	2,393,584,325	2,419,310,621
Operating leases			589,620,800	535,433,558
Mark-up on term / factoring finance			194,253,664	150,745,830
			3,177,458,789	3,105,490,009
Income from other operating activities				
Other operating income		30	253,836,608	289,364,979
Share of profit of equity accounted undertakings		31	92,214,776	58,865,368
			346,051,384	348,230,347
			3,523,510,173	3,453,720,356
EXPENSES				
Finance costs		32	2,570,010,649	2,133,348,847
Administrative and general expenses		33	651,523,156	516,826,345
Direct cost of leases		34	374,362,418	343,313,589
			3,595,896,223	2,993,488,781
			(72,386,050)	460,231,575
Allowance for potential lease, instalment and other loan losses - net		35	323,969,006	105,168,600
Impairment of assets		36	32,359,524	3,453,415
(Loss) / profit before tax			(428,714,580)	351,609,560
Taxation - Current		40	2,410	58,000,000
- Deferred			38,379,353	27,000,000
			38,381,763	85,000,000
(Loss) / profit for the year	Rupees		(467,096,343)	266,609,560
(Loss) / earnings per share - basic and diluted	Rupees	44	(5.85)	3.34

In accordance with SRO 150(1)2009 dated 13 February 2009, the impairment loss on 'available for sale' equity securities has been reported in equity. In case the impairment loss was charged to Profit and Loss Account, loss for the period would have been higher by Rs. 27.56 million and loss per share would have been higher by Re. 0.34 (see note 12.5).

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

HUMAYUN MURAD
Chief Executive

KUNWAR IDRIS
Director

CASH FLOW STATEMENT

for the year ended June 30, 2009

	Note	2009	2008
Cash flows from operating activities			
Cash generated from operations	41	**2,074,869,908**	2,560,478,429
(Increase) / decrease in operating assets			
Investment in finance leases and instalment loans - net		**3,881,075,016**	(422,569,926)
Long term finances and loans - net		**143,179,532**	(113,341,221)
Short term finances		**(119,785,253)**	29,074,401
Long term deposits		**(737,661)**	(2,694,963)
Investment in operating lease assets		**(370,829,262)**	(208,577,634)
Proceeds from sale of operating lease assets		**50,661,971**	30,587,095
		3,583,564,343	(687,522,248)
Increase / (decrease) in operating liabilities			
Deposits from lessees - net		**(555,187,277)**	538,682,063
Mark-up paid		**(2,169,012,760)**	(1,604,155,370)
Profit paid on certificates of deposit		**(123,053,440)**	(207,515,538)
		(2,847,253,477)	(1,272,988,845)
Net cash from operating activities before income tax		**2,811,180,774**	599,967,336
Income tax paid		**(120,197,624)**	(50,489,089)
Net cash from operating activities		**2,690,983,150**	549,478,247
Cash flows from investing activities			
Capital expenditure incurred		**(145,860,809)**	(109,494,610)
Proceeds from disposal of assets - own use		**25,601,642**	22,354,069
Acquisition of interest in equity accounted undertaking		**–**	(135,000,000)
Purchase of right shares of equity accounted undertaking		**–**	(108,900,000)
Cash flows from amalgamation	41.1	**35,393,232**	–
Proceeds against renunciation of right shares of equity accounted undertaking		**–**	98,459,418
Investments - net		**(701,871,006)**	(49,401,182)
Dividends received		**35,926,310**	70,744,652
Interest received		**84,768,807**	18,194,644
Net cash used in investing activities		**(666,041,824)**	(193,043,009)
Cash flows from financing activities			
Proceeds from issue of TFCs		**–**	5,000,000,000
Proceeds from long term loans		**690,480,000**	5,200,216,273
Short term borrowings		**400,000,000**	(790,000,000)
Certificates of deposit issued / (redeemed) - net		**510,771,123**	(2,142,412,049)
Repayment of long term loans and finances		**(3,410,480,296)**	(6,753,291,752)
Dividend paid		**(101,577,608)**	(242,846,658)
Net cash (used in)/from financing activities		**(1,910,806,781)**	271,665,814
Net increase in cash and cash equivalents		**114,134,545**	628,101,052
Cash and cash equivalents at beginning of the year		**201,902,333**	(426,198,719)
Cash and cash equivalents at end of the year Rupees	42	**316,036,878**	201,902,333

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

HUMAYUN MURAD
Chief Executive

KUNWAR IDRIS
Director

STATEMENT OF CHANGES IN EQUITY

for the year ended June 30, 2009

			Capital Reserves		Revenue Reserves						
	Issued, subscribed and paid-up capital	Shares to be issued due to amalgamation	Share premium	Statutory reserve	General reserve	Unappropriated profit	Unrealised (losses) / gains on investment	Hedging reserve	Foreign currency translation reserve	Share of associates' reserves	Total shareholders' equity
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
Changes in equity for the year ended 30 June 2008											
Exchange difference arising on translation of foreign associates	–	–	–	–	–	–	–	–	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 01 July 2008	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
Exchange difference arising on translation of foreign associates - net	–	–	–	–	–	–	–	–	190,625,376	–	190,625,376
Unrealised (loss) / gain due to change in fair value of available for sale securities - net	–	–	–	–	–	–	(19,950,657)	–	–	–	(19,950,657)
Unrealised loss of associates transferred to profit and loss account	–	–	–	–	–	–	–	–	–	14,241,845	14,241,845
Net (loss) / gain on interest rate swap	–	–	–	–	–	–	–	(161,087,135)	–	–	(161,087,135)
Net income / (loss) recognised directly in equity	–	–	–	–	–	–	(19,950,657)	(161,087,135)	190,625,376	14,241,845	23,829,429
Net loss for the year	–	–	–	–	–	(467,096,343)	–	–	–		(467,096,343)
Total recognised income and expense for the year	–	–	–	–	–	(467,096,343)	(19,950,657)	(161,087,135)	190,625,376	14,241,845	(443,266,914)
Cash dividend @ Rs.1.50 per ordinary share of Rs.10 each declared on 16 September 2008	–	–	–	–	–	(104,217,719)	–	–	–	–	(104,217,719)
Bonus shares issued by transfer from share premium account	104,217,730	–	(104,217,730)	–	–	–	–	–	–	–	–
Shares to be issued due to amalgamation	–	21,526,740	–	–	–	–	–	–	–	–	21,526,740
Balance as at 30 June 2009 Rupees	799,002,560	21,526,740	448,603,499	604,000,000	210,000,000	(239,129,878)	(27,890,115)	(98,737,263)	360,534,942	–	2,077,910,485

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

HUMAYUN MURAD
Chief Executive

KUNWAR IDRIS
Director

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 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 (SECP).

During the year, the shareholders of the Company and its associated company, ORIX Investment Bank Pakistan Limited (OIB), in their respective extraordinary general meeting held on June 29, 2009 approved a Scheme of Amalgamation (the Scheme) under Section 282L of the Companies Ordinance, 1984 as further approved by SECP. For the purpose of these financial statements, OIB has been amalgamated in the Company. The effective date of the merger was January 01, 2009.

The key terms of the Scheme are as follows:

I. The entire undertaking of OIB including all movable and immovable properties, assets and liabilities and all the rights and obligations of OIB have been amalgamated with and into the Company.

II. In consideration for the amalgamation under the Scheme, the Company is required to issue and allot 2,152,674 ordinary shares of Rs.10 each, as fully paid, to registered holders of the ordinary shares of OIB (which excludes 15% shareholding of OIB owned by the Company) in the ratio of 1 (one) ordinary share of the Company for 43 (forty three) ordinary shares, of Rs. 10/- each of OIB.

III. OIB has been dissolved without winding up.

The fair value of assets and liabilities of OIB as per financial statement as of December 31, 2008 have been reproduced below:

Total assets		1,891,186,210
Total liabilities		1,871,781,111
Net assets	Rupees	19,405,099

As a result of above treatment, goodwill arose in the books as under which have been charged off during the period (refer note 36)

Percentage of other shareholders		85%
Share of net assets held by other shareholders		16,494,334
Less: Cost of acquisition i.e. ordinary shares issued at fair value		21,526,740
Goodwill arising on amalgamation	Rupees	5,032,406

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 Regulations) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (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.
- Obligation in respect of gratuity schemes are measured at present 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 judgments

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

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

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

(a) determining the residual values and useful lives of property, plant and equipment (Note 3.1);
(b) allowance for potential lease, 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 Initial Application of a Standard, Amendment or an Interpretation to an Existing Standard and Forthcoming Requirements

2.5.1 Initial application

- IFRS 7 – Financial Instruments: Disclosures (effective for annual periods beginning on or after 28 April 2008) supersedes IAS 30 – Disclosures in the Financial Statements of Banks and Similar Financial Institutions and the disclosure requirements of IAS 32 – Financial Instruments: Disclosure and Presentation. The application of the standard did not have significant impact on the Company's financial statements other than increase in disclosures.

- IAS 29 – Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after 28 April 2008). The Company does not have any operations in

Hyperinflationary Economies and therefore the application of the standard did not affect the Company's financial statements.

- IFRIC 13 – Customer Loyalty Programmes (effective for annual periods beginning on or after 01 July 2008) addresses the accounting by entities that operate or otherwise participate in customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. The application of IFRIC 13 did not affect the Company's financial statements.

- IFRIC 14 – IAS 19- The Limit on Defined Benefit Asset, Minimum Funding Requirements and their interaction (effective for annual periods beginning on or after 1 January 2008) clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on minimum funding requirements for such asset.

2.5.2 Forthcoming requirements

The following standards, amendments and interpretations of approved accounting standards are only effective for accounting periods beginning from the dates specified below. These standards 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 increased disclosures in certain cases:

- Revised IAS 1 – Presentation of financial statements (effective for annual periods beginning on or after 1 January 2009).

- Revised IAS 23 – Borrowing costs (effective for annual periods beginning on or after 1 January 2009).

- IAS 27 – Consolidated and separate financial statements (effective for annual periods beginning on or after 1 January 2009).

- Amended IAS 27 – Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009).

- Amendments to IAS 32 – Financial instruments: Presentation and IAS 1 Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009).

- Amendments to IAS 39 – Financial Instruments: Recognition and Measurement – Eligible hedged Items (effective for annual periods beginning on or after 1 July 2009).

- Amendments to IAS 39 and IFRIC 9 – Embedded derivatives (effective for annual periods beginning on or after 1 January 2009).

- Amendment to IFRS 2 – Share-based Payment – Vesting Conditions and Cancellations (effective for annual periods beginning on or after 1 January 2009).

- Amendment to IFRS 2 – Share-based Payment – Group Cash-Settled Share-Based Payment Transactions (effective for annual periods beginning on or after 1 January 2010).

- Revised IFRS 3 – Business Combinations (applicable for annual periods beginning on or after 1 July 2009).

- IFRS 4 – Insurance Contracts (effective for annual periods beginning on or after 1 January 2009).

Amendment to IFRS 7 – Improving disclosures about Financial Instruments (effective for annual periods beginning on or after 1 January 2009).

- IFRS 8 – Operating Segments (effective for annual periods beginning on or after 1 January 2009).

- IFRIC 15 – Agreement for the Construction of Real Estate (effective for annual periods beginning on or after 1 October 2009).

- IFRIC 16 – Hedge of Net Investment in a Foreign Operation (effective for annual periods beginning on or after 1 October 2008).

- IFRIC 17 – Distributions of Non-Cash Assets to Owners (effective for annual periods beginning on or after 1 July 2009).

- IFRIC 18 – Transfers of Assets from Customers (to be applied prospectively to transfers of assets from customers received on or after 01 July 2009).

The International Accounting Standards Board made certain amendments to existing standards as part of its first and second annual improvements project. The effective dates for these amendments vary by standard and most will be applicable to the Company's 2010 financial statements.

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 notes 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 derecognised i.e. up to the month preceding the disposal, even if during that period the asset is idle.

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

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 the lessees are classified as finance leases. A receivable is recognised at an amount equal to the present value of the lease payments, including any guaranteed residual value and unamortised initial direct cost 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 judgment 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 judgments and estimates. In evaluating the adequacy of the 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 carrying amount and fair value less costs to sell.

Gain / loss on sale of assets classified as held for sale is recognised 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 values. 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.The fair value of financial assets at fair value through profit or loss is determined by reference to their quoted bid price at the reporting date in the active market.

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 rate 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 2009 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 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 recognised immediately in the profit or loss account.

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

3.14 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 laws, 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 amortised 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 amortised 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 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 recognised 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.

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.

3.24 Business combinations
Business combinations are accounted for by applying the purchase method. The cost of acquistion is measured as the fair value of asset given, equity instruments issued and the liablities incurred or assumed at the date of exchange. Identified assets acquired are recognised at fair value at the acquistion date, irrespective of the extent of any minority interest. The excess of cost of acquistion over the fair value of identifible net assets acquired is recorded as goodwill.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	2009	2008
Fixed assets - own use	4.1	**347,937,376**	200,729,172
Fixed assets - on operating lease	4.2	**771,913,277**	580,148,923
Capital work-in-progress	4.3	**2,030,000**	51,454,978
	Rupees	**1,121,880,653**	832,333,073

4.1 Fixed assets - own use

Description	Cost: As at July 1, 2008	Cost: Additions/ (disposals)/ transfer	Cost: As at June 30, 2009	Accumulated depreciation: As at July 1, 2008	Accumulated depreciation: For the year/ (on disposals) / transfer	Accumulated depreciation: As at June 30, 2009	Net book value: As at June 30, 2009	Rate/ Years
2009								
Leasehold land	21,112,800	33,286,500	54,399,300	1,825,940	466,751	2,292,691	52,106,609	77 years
Office building	–	69,786,085	69,786,085	–	290,774	290,774	69,495,311	5%
Leasehold improvements	97,649,544	42,559,188 (8,100,816)	132,107,916	68,522,002	10,605,227 (6,657,792)	72,469,437	59,638,479	15%
Furniture, fittings and office equipments	82,703,035	22,085,234 (9,555,678)	95,232,591	50,528,097	9,855,313 (8,580,457)	51,802,953	43,429,638	15% - 25%
Vehicles	150,763,730	47,779,280 (27,793,565) (1,611,683)*	169,137,762	43,821,392	22,254,616 (7,735,494) (27,317)*	58,313,197	110,824,565	20%
Computers and accessories	81,465,748	8,819,178 (1,213,310)	89,071,616	68,268,254	9,550,269 (1,189,681)	76,628,842	12,442,774	33%
Rupees	433,694,857	224,315,465 (46,663,369) (1,611,683)*	609,735,270	232,965,685	53,022,950 (24,163,424) (27,317)*	261,797,894	347,937,376	

* Represents assets transferred to lease assets from own assets.

Description	Cost: As at July 1, 2007	Cost: Additions/ (disposals)/ transfer	Cost: As at June 30, 2008	Accumulated depreciation: As at July 1, 2007	Accumulated depreciation: For the year/ (on disposals) / transfer	Accumulated depreciation: As at June 30, 2008	Net book value: As at June 30, 2008	Rate/ Years
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 equipments	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	

* Represents assets transferred to own assets from operating lease assets.
** Represents assets transferred to lease assets from own 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	6,537,060	5,293,208	1,243,852	440,000	Negotiation	ABC Neelam Ghar
	1,166,836	1,016,080	150,756	400,000	Negotiation	Mrs Saiqa Akhtar, Sakina Joozer
Book value not exceeding Rs. 50,000 each	396,920	348,504	48,416	47,000	Insurance Claim	Adamjee Insurance Co. Ltd., Karachi
	8,100,816	6,657,792	1,443,024	887,000		
Furniture, fittings and office equipment	1,431,308	979,240	452,068	161,650	Negotiation	ABC Neelam Ghar
	75,940	7,594	68,346	72,266	Insurance Claim	EFU General Insurance, Karachi
	75,000	3,750	71,250	71,250	Company Policy	Mr. Yasum Mirza, Executive
Book value not exceeding Rs. 50,000 each	7,973,430	7,589,873	383,557	438,172	Various	Various
	9,555,678	8,580,457	975,221	743,338		
Vehicles						
	519,000	34,600	484,400	519,000	Insurance Claim	Adamjee Insurance Company, Karachi
	519,000	77,850	441,150	510,000	Insurance Claim	Adamjee Insurance Company, Karachi
	376,000	300,800	75,200	241,700	Insurance Claim	Adamjee Insurance Company, Karachi
	70,490	19,972	50,518	63,000	Insurance Claim	Adamjee Insurance Company, Karachi
	192,898	83,107	109,791	200,975	Insurance Claim	Adamjee Insurance Company, Karachi
	609,000	20,300	588,700	590,000	Insurance Claim	EFU General Insurance, Karachi
	519,000	69,200	449,800	519,000	Insurance Claim	EFU General Insurance, Karachi
	71,000	13,668	57,332	65,000	Insurance Claim	EFU General Insurance, Karachi
	484,980	64,664	420,316	497,000	Insurance Claim	EFU General Insurance, Karachi
	189,211	93,659	95,552	177,000	Negotiation	Mr. Ali Akbar Shinwari, Peshawer
	335,000	184,250	150,750	275,000	Negotiation	Mr. Malik Abdul Khaliq, Karachi
	337,678	185,723	151,955	295,000	Negotiation	Mr. SM Taufique, Karachi
	367,500	202,125	165,375	157,000	Negotiation	Mr. Naveed Sarwar, Multan
	376,000	253,800	122,200	153,200	Negotiation	Mr. Izhar Muhamed Khan, Karachi
	379,000	208,450	170,550	218,000	Negotiation	Mr. Mohammed Amin Khan, Faisalabad
	380,000	304,000	76,000	76,000	Negotiation	Mr. Syed Ahsan Ali, Karachi
	380,000	304,000	76,000	76,000	Negotiation	Mr. Syed Amjad Ali, Karachi
	386,250	212,438	173,812	150,000	Negotiation	Mr. Muhammed Irfan, Multan
	390,000	227,500	162,500	210,017	Negotiation	Mr. Muhammed Javed Iqbal, Sargodha
	395,000	171,167	223,833	266,916	Negotiation	Mr. Muhammed Tayyab Siddiqui, Sialkot
	479,000	135,717	343,283	510,000	Negotiation	Mr. Asif Sarfraz, Lahore
	484,980	72,747	412,233	430,000	Negotiation	Mr. Sohail Bashir Qureshi,Gujranwala
	484,980	105,079	379,901	540,000	Negotiation	Mr. Abdul Hussain, Karachi
	494,734	82,456	412,278	550,900	Negotiation	Mr. Mohammed Sagheer, Karachi
	499,000	124,750	374,250	600,000	Negotiation	Mr. Malik Abdul Khaliq, Karachi
	560,000	315,000	245,000	412,922	Negotiation	Mr. Anwar Abbas,Karachi
	560,000	320,833	239,167	241,467	Negotiation	Mr. Sabir Zada, Karachi
	560,000	378,000	182,000	294,070	Negotiation	Mr. Abu Sufian, Karachi
	575,730	64,770	510,960	600,000	Negotiation	Ms. Knit Tex Government, Karachi
	575,730	124,742	450,988	645,000	Negotiation	Mrs. Anila Masroor, Karachi
	606,000	131,300	474,700	683,786	Negotiation	Mr. Malik Abdul Khaliq, Karachi
	795,000	689,000	106,000	226,495	Negotiation	Mr. Shiekh Muhammed Ahmed, Karachi
	846,000	352,500	493,500	843,000	Negotiation	Mr. Wali Dad, Karachi
	856,753	96,385	760,368	775,000	Negotiation	Mr. Yasum Mirza, Karachi
	892,871	282,742	610,129	996,786	Negotiation	Mr. Mohammed Asgher, Karachi
	1,169,000	759,850	409,150	653,020	Negotiation	Mr. Abdul Majeed, Karachi
	1,287,000	514,800	772,200	1,007,000	Negotiation	Mr. Sanaullah Kasi, Karachi
	4,000,000	–	4,000,000	4,000,000	Negotiation	Mr. Anjum Rehmat
	3,015,000	–	3,015,000	3,015,000	Negotiation	M/s DML Pakistan Pvt. Limited
	935,000	–	935,000	935,000	Negotiation	M/s DML Pakistan Pvt. Limited
	573,980	–	573,980	573,980	Negotiation	Mr. Zahid Qadri
Book value not exceeding Rs. 50,000 each	265,800	153,550	112,250	93,750	Various	Various
	27,793,565	7,735,494	20,058,071	23,886,984		
Computers and accessories						
Book value not exceeding Rs. 50,000 each	1,213,310	1,189,681	23,629	84,320	Various	Various
	1,213,310	1,189,681	23,629	84,320		
Rupees	**46,663,369**	**24,163,424**	**22,499,945**	**25,601,642**		

4.2 Fixed assets - on operating lease

Description	Cost: As at July 1, 2008	Cost: Additions/ (disposals)/ transfer	Cost: As at June 30, 2009	Accumulated depreciation: As at July 1, 2008	Accumulated depreciation: For the year/ (on disposals) / transfer	Accumulated depreciation: As at June 30, 2009	Net book value: As at June 30, 2009	Rate
2009								
Generators	622,079,739	332,949,650 (63,723,636)	891,305,753	234,169,942	85,008,356 (37,257,797)	281,920,501	609,385,252	number of hours operated
Compressors and machinery	8,033,534	–	8,033,534	6,386,643	1,205,016	7,591,659	441,875	15% - 20%
Communication equipment	441,971,526	37,879,612 (11,437,523)	468,413,615	266,630,403	55,932,345 (10,890,919)	311,671,829	156,741,786	15% - 20%
Office equipment	17,014,654	–	17,014,654	17,014,534	–	17,014,534	120	33 %
Vehicles	20,483,003	– (11,646,053)	8,836,950	5,232,011	2,650,487 (4,389,792)	3,492,706	5,344,244	15 %
Rupees	1,109,582,456	370,829,262 (86,807,212)	1,393,604,506	529,433,533	144,796,204 (52,538,508)	621,691,229	771,913,277	

Description	Cost: As at July 1, 2007	Cost: Additions/ (disposals)/ transfer	Cost: As at June 30, 2008	Accumulated depreciation: As at July 1, 2007	Accumulated depreciation: For the year/ (on disposals) / transfer	Accumulated depreciation: As at June 30, 2008	Net book value: As at June 30, 2008	Rate
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	number 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 operating leased assets from leased 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						
	24,585,106	16,323,754	8,261,352	13,500,000	Negotiation	Danial Industries, Lahore
	19,217,400	10,386,228	8,831,172	13,300,000	Negotiation	Danial Industries, Lahore
	19,921,130	10,547,815	9,373,315	13,000,000	Negotiation	Sadiq Paper Mills, Karachi
	63,723,636	37,257,797	26,465,839	39,800,000		
Vehicles						
	6,600,000	1,650,000	4,950,000	6,769,634	Negotiation	HSA Engineering, Karachi
	1,444,327	1,227,678	216,649	760,000	Negotiation	Ms. Nighat Sajid
	1,268,526	1,078,247	190,279	769,000	Negotiation	Mr. Khulullah Qureshi
	356,600	59,433	297,167	268,801	Negotiation	HSA Engineering, Karachi
	356,600	59,433	297,167	268,801	Negotiation	HSA Engineering, Karachi
	260,000	50,556	209,444	189,452	Negotiation	HSA Engineering, Karachi
	260,000	50,556	209,444	189,452	Negotiation	HSA Engineering, Karachi
	220,000	42,778	177,222	160,306	Negotiation	HSA Engineering, Karachi
	220,000	42,778	177,222	160,306	Negotiation	HSA Engineering, Karachi
	220,000	42,778	177,222	160,306	Negotiation	HSA Engineering, Karachi
	220,000	42,778	177,222	160,306	Negotiation	HSA Engineering, Karachi
	220,000	42,778	177,222	160,306	Negotiation	HSA Engineering, Karachi
	11,646,053	4,389,793	7,256,260	10,016,670		
Communication equipment	2,315,603	1,781,458	534,145	826,300	Insurance claim	Adamjee Insurance, Karachi
Book value not exceeding Rs. 50,000 each	9,121,920	9,109,460	12,460	19,001	Negotiation	Various
	11,437,523	10,890,918	546,605	845,301		
Rupees	**86,807,212**	**52,538,508**	**34,268,704**	**50,661,971**		

4.3 Capital work-in-progress

	Note	2009	2008
Civil works			
Opening balance	4.3.1	**51,454,978**	26,626,639
Additions during the year		**48,380,848**	24,828,339
Capitalisation during the year		**(99,835,826)**	–
		–	51,454,978
Intangible			
Opening balance		**–**	–
Additions during the year		**2,966,000**	–
Impaired during the year		**(936,000)**	–
		2,030,000	–
	Rupees	**2,030,000**	51,454,978

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

5. STOCK EXCHANGE MEMBERSHIP CARDS AND ROOMS

	2009	2008
Membership cards		
Karachi Stock Exchange	34,750,000	–
Lahore Stock Exchange	30,000,000	–
	64,750,000	–
Rooms		
Karachi Stock Exchange	9,200,000	–
Lahore Stock Exchange	6,500,000	–
	15,700,000	–
Rupees	80,450,000	–

6. NET INVESTMENT IN FINANCE LEASES AND INSTALMENT LOANS

	Note	2009	2008
Instalment contract receivables		15,823,381,539	20,014,849,349
Residual value		6,355,801,967	6,738,568,027
Initial direct costs		49,824,441	61,844,724
	6.1	22,229,007,947	26,815,262,100
Less: Unearned finance income		2,705,777,346	3,306,721,848
	Rupees	19,523,230,601	23,508,540,252

6.1 Details of investment in finance leases

	Gross investment in finance leases and instalment loans		Present value of investment in finance leases and instalment loans	
	2009	2008	2009	2008
Less than one year	10,913,282,558	12,011,542,740	9,307,268,900	10,073,018,534
One to five years	11,315,725,389	14,803,719,360	10,215,961,701	13,435,521,718
Rupees	22,229,007,947	26,815,262,100	19,523,230,601	23,508,540,252

6.2 There are no instalment contract receivables over five years. The Company's implicit rate of return on leases and instalment loans ranges between 14.00% and 22.00% (2008: 10.00% and 20.00%) per annum. These are secured against leased assets and security deposits generally upto 20% of (2008: upto 20%) of the cost of leased asset, in case of finance leases and hypothecation of assets in case of instalment contracts.

6.3 Based on the NBFC Rules, the aggregate net exposures in finance leases against which income suspension is required amounted to Rs. 1,555 million (2008: Rs. 964 million).

7. LONG TERM INVESTMENTS

	Note	2009	2008
Related parties			
Investment in equity accounted undertakings	7.1	1,644,231,968	1,378,147,992
Others			
Held-to-maturity investments			
Ijara sukuk - Government of Pakistan	7.2	180,000,000	–
Pakistan Investment Bonds (PIBs)	7.2	5,683,480	5,974,398
Term Finance Certificates (TFCs)			
- Listed	7.3	8,124,879	38,813,735
- Unlisted		4,370,802	–
		198,179,161	44,788,133
Less: Allowance for potential losses	35	–	390,197
		198,179,161	44,397,936
Less: Current maturity	11	4,223,939	21,705,256
	Rupees	1,838,187,190	1,400,840,672

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

2009	2008		Note	2009	2008
(Number of shares)					
		Quoted			
12,804,671	11,641,750	Oman ORIX Leasing Company SAOG	7.1.3	418,043,226	308,223,976
–	16,335,000	ORIX Investment Bank Pakistan Limited		–	48,741,462
				418,043,226	356,965,438
		Unquoted			
400,000	400,000	Saudi ORIX Leasing Company		611,029,657	461,431,437
45,000	45,000	MAF ORIX Finance PJSC		132,387,398	100,575,313
8,750	8,750	BTA ORIX Leasing JSC		114,523,658	129,566,568
920,000	920,000	ORIX Leasing Egypt SAE		234,904,418	196,826,676
13,500,000	13,500,000	ORIX Properties Pakistan (Private) Limited		133,343,611	132,782,560
				1,226,188,742	1,021,182,554
			Rupees	1,644,231,968	1,378,147,992

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

7.1.2 Market value of quoted investment in equity accounted undertakings are as follows:

	2009	2008
Oman ORIX Leasing Company SAOG	689,673,665	519,341,145

7.1.3 Includes 570 shares at Riyal Omani (R.O.) 0.1/- each (2008: 570 shares at R.O.0.1/- each) held in the name of Chief Executive and Director in the investee company. The aggregate carrying value of these shares is Rs. 0.02 million (2008: Rs. 0.03 million).

7.1.4 Summarised un-audited 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
2009						
Quoted						
Oman ORIX Leasing Company SAOG	31 December	13,754,130,040	10,163,217,828	1,534,585,736	421,162,195	11.64%
Unquoted						
Saudi ORIX Leasing Company	31 December	22,925,205,904	16,656,390,968	1,767,021,278	796,148,461	10.00%
MAF ORIX Finance PJSC	31 December	8,677,996,634	4,265,083,315	1,243,587,342	548,489,002	3.00%
BTA ORIX Leasing JSC	31 December	3,010,232,397	1,895,799,978	657,000,048	(104,294,604)	10.00%
ORIX Leasing Egypt SAE	31 December	5,167,219,460	4,145,895,904	688,742,772	173,383,702	23.00%
ORIX Properties Pakistan (Private) Limited	30 June	298,399,525	2,080,388	12,129,034	1,246,781	45.00%
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%

7.2 Held-to-maturity investments have been made as required under Rule 14 (4) (i) of the Non Banking Finance Companies and Notified Entities, Regulations, 2008 to maintain liquidity against certificates of deposit. These are redeemable within a period of 1 month to 3 years (2008: 1 month to 3 years) from the balance sheet date, carrying profit rate ranging from 12.00% to 16.00% (2008: 8.00% to 14.00%) per annum due half yearly from the date of issue.

7.3 These are redeemable within a period of 1 month to 2 years (2008: 1 month to 3 years) from the balance sheet date, carrying profit rate ranging from 9.50% to 25.00% (2008: 8.00% to 14.00%) per annum due half yearly from the date of issue.

8. LONG TERM FINANCES AND LOANS

	Note	2009	2008
Considered good			
Related parties - secured			
Chief Executive	8.1 & 8.2	**817,818**	1,595,830
Executives	8.1 & 8.2	**69,142,407**	63,048,336
		69,960,225	64,644,166
Others			
Employees - secured	8.2	**41,920,564**	44,389,679
Murabaha finance	8.3	**13,333,334**	20,000,000
Term finance - secured	8.4	**731,639,551**	178,073,477
Micro finance	8.5	**20,333,680**	23,490,076
Agri finance - secured	8.6	**151,349,248**	258,708,019
		958,576,377	524,661,251
		1,028,536,602	589,305,417
Considered doubtful			
Others			
Term finance		**234,227,942**	10,000,000
Agri finance		**24,872,514**	18,334,124
Micro finance		**122,332**	–
		259,222,788	28,334,124
Less: Allowance for potential loan losses	35	**226,976,872**	5,972,360
		32,245,916	22,361,764
Less: Current maturity			
Related parties		**20,350,650**	20,080,518
Others		**458,779,600**	133,085,093
	11	**479,130,250**	153,165,611
	Rupees	**581,652,268**	458,501,570

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

	Chief Executive		Executives	
	2009	2008	**2009**	2008
Opening balance	**1,595,830**	2,335,975	**63,048,336**	53,672,292
Disbursements	**–**	–	**13,309,515**	18,345,464
Repayments	**(778,012)**	(740,145)	**(7,215,444)**	(8,969,420)
Rupees	**817,818**	1,595,830	**69,142,407**	63,048,336

8.2 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% (2008: 5.00%) per annum. Loans to Chief Executive, Executives and other employees carry mark-up rate ranging between 5.00% and 14.00% (2008: 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. 69.96 million (2008: Rs. 64.64 million).

8.3 This represents murabaha facility to a financial institution. The rate of return is 13% (2008: 13%) per annum. This facility is secured by way of floating charge on unencumbered leased assets and associated lease rent receivable with a 25% margin.

8.4 This represents term finance facility provided to customers on mark-up basis. The mark-up on these finances ranges between 12.00% and 19.00% (2008: 14:00% and 18.00%) per annum. These finances are repayable within a period of 1 year to 5 years (2008: 1 year to 5 years) and are secured against charge over fixed assets, trade receivables, lien on certificate of investments, personal guarantees of directors and hypothecation of stocks.

It also includes a facility provided to a financial institution rescheduled from certificate of investments to term finance facility. The rate of interest is 5% (2008: 5%) and the facility is repayable within a period of 7 years having a grace period of 2 years.

8.5 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 18.00% and 34.00% (2008: 18.00% and 33.00%) per annum. These loans are repayable within a period of 1 year to 3 years (2008: 1 year to 3 years) and are secured against personal guarantees within village organisations.

8.6 This represents long term finance offered to farmers on mark-up basis. The rate of return on these loans ranges between 12.00% and 24.00% (2008: 11.00% and 20.00%) per annum. These loans are repayable within a period of 1 year to 5 years (2008: 1 year to 4 years) and are secured against title documents of immovable property and hypothecation of personal assets.

9. SHORT TERM FINANCES

	Note	2009	2008
Considered good			
Term finance - secured	9.1	**203,838,352**	89,344,388
Factoring finance	9.2	**31,680,973**	23,702,669
Micro finance	9.3	**155,579,799**	132,498,362
Agri finance - secured	9.4	**33,192,789**	91,029,414
Musharika finance	9.5	**3,139,080**	–
Bills purchased	9.6	**221,254**	–
Other finance		**–**	78,056
		427,652,247	336,652,889
Considered doubtful			
Term finance and musharika finance		**67,340,053**	15,970,667
Micro finance		**914,089**	509,415
Agri finance		**21,865,739**	11,831,823
Other finance		**281,032**	378,674
		90,400,913	28,690,579
Less: Allowance for potential losses	35	**58,063,851**	8,030,070
		32,337,062	20,660,509
	Rupees	**459,989,309**	357,313,398

9.1 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 16.00% and 20.00% (2008: 13.00% and 18.00%) 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.

9.2 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 (2008: 3 months to 1 year) and are secured against personal guarantees of directors and right of recourse.

9.3 This represents short term micro loans offered to individuals and women entrepreneurs on mark-up basis. The mark-up on these loans ranges between 18.00% and 34.00% (2008: 16.00% and 33.00%) per annum. These are secured against personal guarantees within village organisations and are recoverable within twelve months.

9.4 This represents short term finance offered to farmers on mark-up basis. The mark-up on these loans ranges between 13.00% and 23.00% (2008: 13.00% and 20.00%) per annum. These are secured against title documents of immovable property and hypothecation of personal assets and are recoverable within twelve months.

9.5 This represents musharika financing provided by the Company for trade finance. These are based on mutual profit sharing depending upon the terms and conditions of the agreement. These are secured by way of security deposits, mortgage over land and property and personal guarantees of directors of the ventures.

9.6 This represents purchase of bills / invoices for providing finance facility. These are secured by charge on receivables and stocks / stores and spares and carry mark-up at 10% (2008: nil) per annum.

10. ACCRUED RETURN ON INVESTMENTS AND TERM LOANS

	Note	2009	2008
Investments		**27,181,714**	3,951,905
Term loans		**26,484,775**	24,157,578
	Rupees	**53,666,489**	28,109,483

11. CURRENT MATURITY OF NON-CURRENT ASSETS

	Note	2009	2008
Current maturity of:			
Net investment in finance leases and instalment loans	6.1	**9,307,268,900**	10,073,018,534
Long term investments	7	**4,223,939**	21,705,256
Long term finances and loans	8	**479,130,250**	153,165,611
	Rupees	**9,790,623,089**	10,247,889,401

12. SHORT TERM INVESTMENTS

	Note	2009	2008
Held-to-maturity investment			
Treasury bills	12.1	**62,545,126**	93,849,144
Certificates of deposit	12.2	**10,000,000**	30,000,000
Term finance certificate	12.3	**8,002,398**	–
Held for trading investments			
Pakistan Investment Bonds	12.4	**332,425,185**	–
Ordinary shares		**84,847,941**	–
Term finance certificates		**85,004,715**	–
Units of open ended mutual funds		**10,036,516**	–
Units of close ended mutual funds		**51,455,793**	–
		563,770,150	–
Available-for-sale	12.5		
Ordinary shares		**21,774,877**	25,717,864
Units of open ended mutual funds		**19,223,100**	80,074,156
Units of close ended mutual funds		**14,514,455**	31,877,500
		55,512,432	137,669,520
Others			
Term deposit receipts		**757,671,978**	–
Fund placements		**9,778,932**	–
	Rupees	**1,467,281,016**	261,518,664

12.1 This represents investments made as required under Rule 14 (4) (i) of the NBFC Regulations to maintain liquidity against certificates of deposit. These are redeemable within a period of 6 months (2008: 3 months to 1 year) from the balance sheet date, carrying profit rate ranging from 11.50% and 11.70% (2008: 11.28% and 11.50%) per annum due half yearly from the date of issue.

12.2 This represents investments in short term certificates of deposit issued by a Non-Banking Financial Institution for a period of 6 months (2008: 3 months). The rate of return on such investment is 17.00% per annum (2008 : 17.75% per annum).

12.3 This represents investments in term finance certificates issued for a period of 1 year.The rate of return on such investment is 25.00% per annum.

12.4 Investment in government securities carry mark-up at the rate of 8.00% and 9.60% (2008: 8.00% and 11.00%) per annum receivable semi-annually and have terms of five to ten years maturing upto August 2017. This includes investment of Rs. 13 million representing investment made as required under Rule 14 (4) (i) of the NBFC Regulations to maintain liquidity against certificates of deposit.

12.5 International Accounting Standard (IAS) 39-Financial Instruments: Recognition and Measurement requires that available-for-sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. Such impairment loss should be transferred from equity to profit and loss account. The SECP vide its S.R.O.150(I)/2009 dated 13 February 2009 has allowed all the Companies and Mutual Funds to show the impairment loss as at 31 December 2008 on their "available for sale investment" under "equity" in statement of changes in equity instead of charging it to the profit and loss account. The SRO further states that such impairment loss, however, shall be treated as a charge to the profit and loss account for the purposes of dividend distribution. Moreover, the amount of impairment loss taken to equity in the half yearly accounts as at 31 December 2008 shall be recorded, after adjustment of price movement, if any, in the profit and loss account on a quarterly basis during the calendar year ending on 31 December 2009.

The Company opted for the accounting treatment allowed by SECP vide above referred SRO in respect of its available-for-sale investments and an impairment loss as at 31 December 2008 amounting to Rs. 56.47 million was shown in equity under the head "unrealised gain on remeasurement of available for sale investment securities". At 30 June 2009, the above impairment loss after adjustment of subsequent price movements amount to Rs. 54.9 million out of which Rs. 27.33 million has been taken to profit and loss account and the balance subject to price movements will be recognised in the remainder of the calendar year.

Had the impairment loss been transferred to profit and loss account, the unrealised loss on remeasurement of available-for-sale securities would have been lower by Rs. 27.56 million with consequential effect on profit and loss account.

The recognition of impairment loss in accordance with the requirements of International Accounting Standard 39 - Financial Instruments: Recognition and Measurement would have had the following effect on these financial statements:

Increase in 'impairment loss' in profit and loss account for the period	Rupees	27,556,270
Increase in loss for the period	Rupees	27,556,270
Decrease in unrealised loss on remeasurement of available-for-sale investments	Rupees	27,556,270
Increase in accumulated losses	Rupees	27,556,270
Increase in loss per share - basic and diluted	Rupees	0.34

13. ADVANCES AND PREPAYMENTS

		2009	2008
Advances - unsecured		43,444,182	73,708,849
Prepayments			
Insurance			
- leased assets		5,145,016	4,230,251
- own assets		6,920,770	5,005,287
Rent		9,743,687	10,418,842
Others		7,616,895	9,626,940
		29,426,368	29,281,320
	Rupees	72,870,550	102,990,169

14. OTHER RECEIVABLES

	Note	2009	2008
Considered good			
Operating lease rentals receivable		76,979,599	68,152,671
Fair value of hedging instrument		1,074,095,050	558,817,700
Deposits		471,080	–
Receivable from equity brokerage customers		41,377,036	–
Dividend receivable		6,500	–
Receivable from customers		2,618,801	–
Others		21,979,882	30,910,518
		1,217,527,948	657,880,889
Considered doubtful			
Operating lease rentals receivable		4,673,915	326,322
Receivable from equity brokerage customers		12,659,915	–
		17,333,830	326,322
Less: Allowance for potential losses	35	17,333,830	326,322
	Rupees	1,217,527,948	657,880,889

15. CASH AND BANK BALANCES

		2009	2008
Cash in hand		1,989,527	1,933,017
With banks on:			
- Current accounts		99,215,497	21,914,946
- Deposit accounts		527,681,854	183,709,301
		626,897,351	205,624,247
	Rupees	628,886,878	207,557,264

16. ASSETS CLASSIFIED AS HELD FOR SALE

		Note	2009	2008
Repossessed assets	Rupees	16.1	59,506,055	75,595,216

16.1 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.

17. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2009	2008		2009	2008
(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
30,544,364	20,122,591	Fully paid bonus shares	**305,443,640**	201,225,910
79,900,256	69,478,483	Rupees	**799,002,560**	694,784,830

During the current year, 10,421,773 shares of Rs. 10/- each were issued as 15% bonus shares.

As at 30 June 2009, ORIX Corporation, Japan and its nominees held 39,870,222 (2008: 34,669,759) ordinary shares equivalent to 49.90% (2008 : 49.90%) of the total shareholding.

17.1 In consideration for the amalgamation of ORIX Investment Bank Pakistan Limited with ORIX Leasing Pakistan Limited (OLP) under the Scheme of amalgamation OLP is required to issue and allot 2,152,674 ordinary shares of Rs.10/- each, as fully paid, to registered holders of the ordinary shares of OIB (which excludes 15% shareholding of OIB owned by the Company) in the ratio of 1 (one) ordinary share of the Company for 43 (forty three) ordinary shares, of Rs. 10/- each, of OIB.

18. LONG TERM FINANCES - secured

	Note	2009	2008
Long term finances utilised under mark-up arrangements - financial institutions	18.1	**2,512,500,000**	4,346,111,121
Term Finance Certificates - Listed	18.2	**2,498,000,000**	2,499,000,000
Term Finance Certificates - Unlisted	18.3	**5,000,000,000**	5,000,000,000
		10,010,500,000	11,845,111,121
Less: Unamortised transaction cost in respect of			
Long term finances utilised under mark-up arrangements		**2,800,616**	6,383,669
Term Finance Certificates		**36,549,178**	57,873,574
		39,349,794	64,257,243
Less: Current maturity			
Long term finances utilised under mark-up arrangements		**1,037,500,000**	1,866,111,109
Term Finance Certificates		**832,666,667**	1,000,000
	27	**1,870,166,667**	1,867,111,109
		1,909,516,461	1,931,368,352
	Rupees	**8,100,983,539**	9,913,742,769

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 14.25% and 16.77% (2008: 11.22% and 15.69%) per annum. These finances are repayable within a period of 36 to 60 months (2008: 36 to 60 months).

18.2 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 movable assets and receivables. Profit on these TFCs is payable on a semi-annual basis at the rate of six month 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 commencing from 25 November 2009, 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 TFCs by entering into an interest rate swap with a financial institution.

18.3 This 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 movable assets and receivables. Profit on these TFCs is payable on a semi-annual basis at the rate of six month 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 commencing from 15 July 2010 after a grace period of two years.

19. LONG TERM LOANS

Name of lending institution	Note	Commencement of repayment	Mode of loan repayment	Rate (%)	2009	2008
Secured						
International Finance Corporation	19.1	15-Jul-2008	11 equal semi annual instalments after 24 months grace period	US$ six month LIBOR+1.5%	**1,142,075,544**	1,169,600,000
Citibank Japan Limited, Syndicated loan	19.2	31-Jan-08	14 equal semi annual instalments	US$ six month LIBOR+0.675%	**3,225,749,965**	3,194,285,685
Swiss Agency for Development & Co-operation (SDC)	19.3	10-Dec-2004	5 equal annual instalments7.00		**–**	4,000,000
Syndicated Loan	19.4	30-Sep-2007	6 equal semi annual instalments	six month KIBOR+1.75%	**374,999,997**	–
International Finance Corporation	19.5	15-Jul-2007	10 equal semi annual instalments	US$ six month LIBOR+1.65%	**181,950,000**	–
Pakistan Poverty Alleviation Fund (PPAF)	19.3	01-Jan-2009	12 quarterly instalments	10.00	**169,309,900**	–
Pakistan Poverty Alleviation Fund (PPAF)	19.3	22-Feb-2006	16 quarterly instalments	6.00	**9,293,838**	35,000,000
Pakistan Poverty Alleviation Fund (PPAF)	19.3	14-Dec-2006	12 quarterly instalments	8.00	**3,279,893**	54,187,631
Unsecured						
CDC Trustee - AMZ Plus Fund	19.6	12-Mar-2011	6 equal semi annual instalments	six month KIBOR+1.25%	**100,000,000**	–
Total long term loans					**5,206,659,137**	4,457,073,316
Less: Unamortised transaction cost					**100,626,294**	140,318,582
Less: Current maturity	27				**1,241,207,004**	713,795,347
				Rupees	**3,864,825,839**	3,602,959,387

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 receivable 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.

19.4 Following are the participating banks:

	2009	2008
Allied Bank Limited	124,999,999	–
United Bank Limited	124,999,999	–
Bank Alfalah Limited	124,999,999	–
Rupees	374,999,997	–

The loan is secured by way of first specific fixed charge over assets of the Company. The loan is repayable in six equal semi-annual instalments commencing from 30 September 2007. The loan carries mark-up at the rate of six month KIBOR plus 1.75% (2008: six month KIBOR plus 1.75%) per annum.

19.5 The loan is secured by way of first specific fixed charge over assets of the Company. The loan is repayable in ten equal semi-annual instalments commencing from 15 July 2007. Mark-up is payable on a semi-annual basis commencing from 15 January 2007. The loan carries mark-up at the rate of LIBOR plus 1.65% per annum. This loan is hedged by a cross currency interest rate swap with a financial institution.

19.6 The loan is repayable in lump sum at maturity on 12 March 2011. Mark-up is payable in six equal semi-annual instalments commencing from 12 September 2008. The loan carries mark-up at the rate of six months KIBOR plus 1.25% per annum.

20. LONG TERM CERTIFICATES OF DEPOSIT - unsecured

	Note	2009	2008
Certificates of deposit	20.1	1,184,274,833	1,214,226,112
Less: Current maturity	27	158,772,252	54,931,052
	Rupees	1,025,502,581	1,159,295,060

20.1 These represent long term certificates of deposit, issued on a profit and loss sharing basis at the expected rates of profit, ranging between 5.50 % and 16.88% (2008: 5.50% and 13.00%) per annum. These certificates of deposit have been issued for terms ranging between 2 years and 10 years (2008: 2 years and 10 years).

21. LONG TERM DEPOSITS

	Note	2009	2008
Security deposit on finance leases and instalment loans	21.1	6,325,918,814	6,699,606,784
Less: Repayable / adjustable within 12 months	27	1,732,002,251	1,504,432,359
		4,593,916,563	5,195,174,425
Others		4,525,000	–
	Rupees	4,598,441,563	5,195,174,425

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

	2009	2008
The deferred tax liability is attributable to the following items:		
- Accelerated tax depreciation	1,821,198,684	2,099,663,013
- Deficit on revaluation of securities	(19,398,271)	–
- Unamortised transaction costs relating to long term finances and loans	48,991,631	71,601,537
- Share of profit from investments in equity accounted undertakings	109,604,956	83,547,522
- Allowance for potential lease losses	(221,330,143)	(119,175,981)
- Tax losses	(1,521,590,142)	(1,831,465,341)
Rupees	217,476,715	304,170,750

23. TRADE AND OTHER PAYABLES

	Note	2009	2008
Creditors		201,104,049	159,719,652
Accrued liabilities		25,172,886	20,827,473
Other liabilities			
Advance from customers pending finance lease and instalment loan execution		6,936,519	14,392,002
Unclaimed dividends		5,813,743	3,173,621
Payable to equity brokerage customers		1,639,721	–
Payable to defined benefit plan	33.1.2	104,902	2,699,053
Grant from donors	23.1	935,185	1,215,070
Others		15,617,863	4,268,639
		31,047,933	25,748,385
	Rupees	257,324,868	206,295,510

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

		2009	2008
Opening balance		1,215,070	1,266,065
Grant received during the year		3,921,288	3,203,912
Amount charged during the year		(4,201,173)	(3,254,907)
Closing balance	Rupees	935,185	1,215,070

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

	2009	2008
Interest / mark-up on		
Long term finances	462,454,126	357,725,164
Long term loans	210,616,786	183,566,002
Short term borrowings	54,293,539	5,911,149
Profit on certificates of deposit	154,580,283	80,298,843
Rupees	881,944,734	627,501,158

25. SHORT TERM BORROWINGS

	Note	2009	2008
From Banking Companies			
Under mark-up arrangements - secured	25.1	**312,850,000**	5,654,931
Short term loans	25.2	**400,000,000**	–
	Rupees	**712,850,000**	5,654,931

25.1 The short term running finance facilities available from commercial banks amounted to Rs. 1,038 million (2008: Rs. 835 million). The rate of mark-up ranges between 13% and 15.27% (2008: 10.89% and 13.69%) on a daily product basis. These are secured by hypothecation of leased assets, related lease receivables and Pakistan Investment Bonds sold under repurchase agreements having an aggregate fair value of Rs. 295.425 million (2008: nil).

25.2 This represents short term loan from a financial institution for a period of six months and carrying a mark-up at Kibor + 3.5%. (2008: nil). The loan is secured by hypothecation of specific lease assets.

26. SHORT TERM CERTIFICATES OF DEPOSIT- unsecured

	2009	2008
Rupees	**583,798,282**	43,075,880

These represent short term certificates of deposit issued under profit and loss sharing basis at expected rates of profit, ranging between 9.00% and 17.75% (2008: 7.00% and 9.50%) per annum for terms of 6 to 12 months.

27. CURRENT MATURITY OF NON-CURRENT LIABILITIES

	Note	2009	2008
Current maturity of			
Long term finances	18	**1,870,166,667**	1,867,111,109
Long term loans	19	**1,241,207,004**	713,795,347
Long term certificates of deposit	20	**158,772,252**	54,931,052
Long term deposits	21	**1,732,002,251**	1,504,432,359
	Rupees	**5,002,148,174**	4,140,269,867

28. COMMITMENTS

28.1 Leasing and instalment loan contracts committed but not executed at the balance sheet date amounted to Rs. 24.97 million (2008: Rs. 73.59 million).

28.2 Commitments for capital expenditure on Point of Sale (POS) network as at 30 June 2009 amounted to Rs. 8.84 million (2008: Rs. 10.99 million).

29. INCOME FROM FINANCE LEASES AND INSTALMENT LOANS

	Note	2009	2008
Income from finance leases	29.1	**2,374,475,923**	2,378,393,375
Income from instalment loans		**19,108,402**	40,917,246
	Rupees	**2,393,584,325**	2,419,310,621

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. 9,334.14 million (2008: Rs. 9,483.89 million).

30. OTHER OPERATING INCOME

	Note	2009	2008
From financial assets			
Return on investments and deposits		**83,641,302**	33,330,403
Interest income on government securities		**11,122,908**	–
Dividend income		**4,697,652**	11,513,950
Capital (loss) / gain on sale of investment		**(6,330,835)**	117,250,104
Unrealised gain on held for trading investments		**31,379,015**	–
Exchange gain released from equity		**–**	16,851,501
		124,510,042	178,945,958
From assets other than financial assets			
Other fees and income		**51,068,273**	32,621,094
Documentation fees		**17,148,596**	29,427,651
Gain on disposal of fixed assets		**19,537,071**	9,488,717
Gain on sale of leased assets		**41,476,845**	34,100,434
Gain on hedging instruments	30.1	**627,613,227**	485,077,828
Exchange loss on long term borrowings	30.2	**(627,613,227)**	(485,077,828)
Loss on fair value of derivatives		**(3,291,788)**	–
Other exchange gain - net		**3,387,569**	4,781,125
		129,326,566	110,419,021
	Rupees	**253,836,608**	289,364,979

30.1 This represents unrealised gains on cross currency interest rate swap transactions entered with commercial banks (Notes 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

	2009		2008	
Name of associate	Associates' profit / (loss) after tax	Share of associates' profit / (loss) after tax	Associates' profit / (loss) after tax	Share of associates' profit / (loss) after tax
Quoted				
Oman ORIX Leasing Company SAOG	**421,162,195**	**49,030,439**	372,056,507	53,120,932
ORIX Investment Bank Pakistan Limited	**(336,781,276)**	**(60,072,543)**	(664,291,156)	(99,643,673)
	84,380,919	**(11,042,104)**	(292,234,649)	(46,522,741)
Un-Quoted				
Saudi ORIX Leasing Company	**796,148,461**	**56,792,368**	589,387,237	41,590,057
MAF ORIX Finance PJSC	**548,489,002**	**16,454,670**	415,946,193	12,478,386
BTA ORIX Leasing JSC	**(104,294,604)**	**(10,429,460)**	184,494,108	18,449,411
ORIX Leasing Egypt SAE	**173,383,702**	**39,878,251**	152,555,198	35,087,695
ORIX Properties Pakistan (Private) Limited	**1,246,781**	**561,051**	(4,927,644)	(2,217,440)
	1,414,973,342	**103,256,880**	1,337,455,092	105,388,109
Rupees	**1,499,354,261**	**92,214,776**	1,045,220,443	58,865,368

32. FINANCE COSTS

	2009	2008
Interest / mark-up on		
- Long term finances	**1,693,789,009**	1,555,682,133
- Long term loans	**501,902,900**	314,719,420
- Short term borrowings	**96,531,975**	42,580,705
- Profit on certificate of deposits	**197,334,880**	166,063,827
Amortisation of transaction costs	**64,599,737**	42,142,688
Bank charges and commission	**15,852,148**	12,160,074
Rupees	**2,570,010,649**	2,133,348,847

33. ADMINISTRATIVE AND GENERAL EXPENSES

	Note	2009	2008
Salaries, allowances, welfare and training	33.1	**334,434,740**	254,878,898
Rent and utilities		**84,790,441**	74,320,124
Travelling		**12,711,463**	10,416,475
Vehicle running and maintenance		**32,686,298**	23,573,299
Insurance on operating assets		**9,769,282**	7,656,764
Legal and professional charges		**37,718,682**	28,203,841
Communication		**24,887,973**	22,921,070
Subscriptions		**2,799,904**	1,310,270
Auditors' remuneration	33.2	**1,662,473**	832,446
Advertising		**8,279,491**	2,528,544
Printing and stationery		**9,884,807**	9,835,154
Depreciation	4.1	**53,022,950**	48,988,688
Office repairs and maintenance of equipment		**27,977,795**	20,666,156
Donations	33.3	**2,710,671**	2,986,126
Security expenses		**539,804**	–
Stock exchange fee		**641**	–
Custodian charges		**219,113**	–
Clearing fees		**155,644**	–
Computer software write-off		**936,000**	–
Office general expenses		**6,334,984**	7,708,490
	Rupees	**651,523,156**	516,826,345

33.1 Includes following employee benefits

	Note	2009	2008
Defined benefit plan - Gratuity fund	33.1.3	**12,605,849**	9,699,053
Defined contributory plan - Provident fund		**15,693,874**	13,160,878
Compensated absences		**4,800,000**	4,800,000
	Rupees	**33,099,723**	27,659,931

33.1.1 The actuarial valuation has been conducted in accordance with IAS-19 “Employee Benefits” as at 30 June 2009.The Projected Unit Credit method using the following significant assumptions have been used for the actuarial valuation:

	2009	2008
- Discount rate	**14.00%**	12.00%
- Expected rate of increase in salary	**14.00%**	12.00%
- Expected rate of return on plan assets	**14.00%**	12.00%
- Average working life of employees	**34 years**	35 years

33.1.2 The amounts recognised in balance sheet are as follows:

	Note	2009	2008
Present value of defined benefit obligation	33.1.4	**97,855,183**	92,974,126
Fair value of any plan assets	33.1.5	**(79,587,909)**	(61,807,911)
Unrecognised actuarial losses		**(18,162,372)**	(28,467,162)
	Rupees	**104,902**	2,699,053

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

		2009	2008
Current service cost		**6,735,931**	7,106,546
Interest cost		**11,156,895**	7,020,457
Expected return on plan assets		**(7,416,949)**	(5,188,605)
Actuarial losses recognised		**2,129,972**	760,655
	Rupees	**12,605,849**	9,699,053
Actual return on plan assets	Rupees	**4,956,470**	1,395,849

33.1.4 Movement in the present value of defined benefit obligation:

		2009	2008
Present value of obligation as at 1 July		**92,974,126**	70,204,570
Current service cost		**6,735,931**	7,106,546
Interest cost		**11,156,895**	7,020,457
Benefit paid		**(2,376,472)**	(2,165,499)
Actuarial (gain) / loss on obligation		**(10,635,297)**	10,808,052
Present value of obligation as at 30 June	Rupees	**97,855,183**	92,974,126

33.1.5 Movement in the fair value of plan assets:

		2009	2008
Total assets as at 1 July		**61,807,911**	51,886,047
Return on plan assets		**7,416,949**	5,188,605
Contributions		**15,200,000**	10,691,514
Benefit paid		**(2,376,472)**	(2,165,499)
Actuarial loss on assets		**(2,460,479)**	(3,792,756)
Total assets as at 30 June	Rupees	**79,587,909**	61,807,911

33.1.6 Comparison for five years

	2009	2008	2007	2006	2005
Present value of defined benefit obligation	**97,855,183**	92,974,126	70,204,570	53,681,910	40,784,196
Fair value of any plan assets	**(79,587,909)**	(61,807,911)	(51,886,047)	(44,038,668)	(22,768,259)
Deficit	**18,267,274**	31,166,215	18,318,523	9,643,242	18,015,937
Experience adjustments					
Actuarial loss on obligation	**10,635,297**	(10,808,052)	(7,470,941)	(6,451,237)	(315,596)
Actuarial (loss) / gain on assets	**(2,460,479)**	(3,792,756)	(68,701)	(1,672,926)	512,090

33.2 Auditors' remuneration

	2009	2008
Audit fee	1,185,000	550,000
Fee for special certification including half yearly review fee	440,200	242,000
Out of pocket expenses	37,273	40,446
Rupees	1,662,473	832,446

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	2009	2008
Marie Adelaide Leprocy Centre,				
Mariam Manzil, A.M.21				
off Sharah-e-Liaquat, Karachi.	Mr. Humayun Murad	Board member	182,271	275,000
		Rupees	182,271	275,000

34. DIRECT COST OF LEASES

	Note	2009	2008
Court fee, stamp duty and others		11,471,557	14,674,136
Operating lease			
Maintenance and insurance		218,094,657	186,511,836
Depreciation	4.2	144,796,204	142,127,617
		362,890,861	328,639,453
	Rupees	374,362,418	343,313,589

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

	2009					
	Finance lease and Instalment loans	Finance and loans	Operating lease and other receivables	Mark-up accrued	Long term investments	Total
Balance at beginning of the year	265,672,818	14,002,431	326,322	–	390,197	280,391,768
Transfer due to amalgamation	–	195,670,515	12,995,915	–	–	208,666,430
Provision made during the year	242,489,635	77,867,778	4,011,593	–	–	324,369,006
Reversal of provision	–	(400,000)	–	–	–	(400,000)
Write offs	(120,323,796)	(2,100,000)	–	–	(390,197)	(122,813,993)
Rupees	387,838,657	285,040,724	17,333,830	–	–	690,213,211

	2008					
	Finance lease and Instalment loans	Finance and loans	Operating lease and other receivables	Mark-up accrued	Long term investments	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

36. IMPAIRMENT OF ASSETS

	2009	2008
Impairment on available for sale securities	27,327,118	3,453,415
Impairment of goodwill on amalgamtion	5,032,406	–
Rupees	32,359,524	3,453,415

37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

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

	2009			
	Chief Executive	Director	Executives	Total
Managerial remuneration and allowances	7,295,835	3,389,100	76,597,362	87,282,297
House rent and utilities	3,222,917	1,649,550	39,134,847	44,007,314
Retirement benefits	1,012,932	469,957	11,246,379	12,729,268
Rupees	11,531,684	5,508,607	126,978,588	144,018,879
Number	1	1	62	64

	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

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

37.3 Aggregate amount charged in these financial statements includes fees 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.1,275,000 (2008: 2 non-executive directors Rs. 1,090,000).

38. 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'. During the year the Company acquired OIB and its results for the period January 2009 to June 2009 are disclosed separately as "Investment financial services".

Segment analysis for the year ended 30 June 2009

		Finance lease	Operating lease	Others	Leasing business	Investment financial services	Total
Segment revenues	Rupees	2,374,475,923	589,620,800	426,201,909	3,390,298,632	40,996,765	3,431,295,397
Segment result	Rupees	1,914,930,612	150,049,728	367,790,605	2,432,770,945	(54,453,485)	2,378,317,460
Unallocated expenses					(329,236,167)	–	(329,236,167)
Result from operating activities					2,103,534,778	(54,453,485)	2,049,081,293
Finance costs					(2,488,325,661)	(81,684,988)	(2,570,010,649)
Share of profit of equity accounted undertakings					92,214,776	–	92,214,776
Provision for taxation					–	(38,381,763)	(38,381,763)
Loss for the year	Rupees				(292,576,107)	(174,520,236)	(467,096,343)
Other information							
Segment assets	Rupees	18,968,235,805	771,913,277	2,052,079,477	21,792,228,559	947,446,756	22,739,675,315
Investment in equity accounted undertakings				1,644,231,968	1,644,231,968	–	1,644,231,968
Unallocated assets					2,939,299,497	–	2,939,299,497
Total assets	Rupees				26,375,760,024	947,446,756	27,323,206,780
Segment liabilities	Rupees	6,461,086,544	54,333,640	69,343	6,515,489,527	1,097,565,326	7,613,054,853
Unallocated liabilities					17,632,241,442	–	17,632,241,442
Total liabilities	Rupees				24,147,730,969	1,097,565,326	25,245,296,295
Capital expenditure	Rupees	–	370,829,262	145,860,809	516,690,071	28,036,333	544,726,404
Depreciation	Rupees	–	144,796,204	50,888,479	195,684,683	2,134,471	197,819,154

Segment analysis for the year ended 30 June 2008

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

39. TRANSACTIONS WITH RELATED PARTIES

The 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.

39.1 Terms and conditions of transactions with related parties

The transactions with the related parties are made at normal market prices except as mentioned in notes 39.2 and 39.3 below. Outstanding balances are disclosed in the respective notes. Other material transactions with related parties are given below:

		2009	2008
ORIX Corporation, Japan			
Controlling entity			
Proceeds against renunciation of rights shares of			
Oman ORIX Leasing Company SAOG	Rupees	–	98,459,418
Dividend paid	Rupees	**52,004,638**	121,344,162
ORIX Leasing Egypt SAE			
Associate			
Dividend received	Rupees	**26,454,158**	23,416,069
Saudi ORIX Leasing Company			
Associate			
Dividend received	Rupees	–	7,651,559
Oman ORIX Leasing Company SAOG			
Associate / common directorship			
Dividend received	Rupees	–	21,930,481
MAF ORIX Finance PJSC			
Associate / common directorship			
Dividend received	Rupees	**4,774,500**	6,232,593
ORIX Properties Pakistan Private Limited			
Associate / common directorship			
Investment in shares	Rupees	–	135,000,000
Received against certificates of deposit	Rupees	**75,000,000**	–

39.2 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.

39.3 Compensation of key management personnel

		2009	2008
Short term employee benefit		**30,188,585**	31,136,133
Termination benefits		**2,709,103**	4,539,320
Total compensation to key management personnel	Rupees	**32,897,688**	35,675,453

40. TAXATION

40.1 Effective tax rate reconciliation

Numerical reconciliation between the average tax rate and the applicable tax rate has not been presented as no provision for current year income tax is required. 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.

40.2 Current status of pending tax assessments

Under Section 114 of the Income Tax Ordinance 2001, (Ordinance), the Company has filed the returns of income for Tax year 2003 to 2008 on due dates. The said returns shall be taken to be assessment orders passed by the Commissioner of Income Tax on the day the said returns were filed.

The return of income filed by the Company for the tax year 2003 was selected for tax audit under Section 177 of the Ordinance. As a consequence of the said audit the tax authorities have amended the original assessment of the Company and have passed an amended order under Section 122 of the Ordinance. The Company being aggrieved by amended order has filed an appeal before the Commissioner of Income Tax (Appeals) [CIT(A)] which is pending to date.

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 Ordinance against which the Company preferred an appeal before the 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 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.

41. CASH GENERATED FROM OPERATIONS

	2009	2008
(Loss) / profit before taxation	**(428,714,580)**	351,609,560
Adjustments for		
Depreciation and amortisation	**262,418,891**	233,258,997
Allowance for potential lease, instalment and other loan losses - net	**323,969,006**	105,168,600
Share of profit of equity accounted undertakings	**(92,214,775)**	(58,865,368)
Gain on hedging instruments	**(627,613,227)**	(485,077,828)
Exchange loss - net	**627,613,227**	480,296,703
Exchange gain released from equity	**–**	(16,851,501)
Unrealised gain on revaluation of securities	**(31,379,015)**	–
Finance cost	**2,308,076,032**	1,925,142,332
Impairment of assets	**32,359,524**	–
Profit on certificates of deposit	**197,334,880**	166,063,827
Loss on fair value of derivatives	**3,291,788**	–
Dividend income	**(4,697,652)**	(11,513,950)
Capital loss / (gain) on sale of investments	**6,330,835**	(117,250,104)
Return on investments and deposit	**(94,764,210)**	(33,330,403)
Gain on disposal of fixed assets	**(19,537,071)**	(9,488,718)
	2,891,188,233	2,177,552,587
	2,462,473,653	2,529,162,147
(Increase) / decrease in current assets		
Advances and prepayments	**171,215,354**	(26,739,441)
Other receivables	**(597,525,392)**	7,125,132
	(426,310,038)	(19,614,309)
Increase in trade and other payables	**38,706,293**	50,930,591
Rupees	**2,074,869,908**	2,560,478,429

41.1 Cash flows from amalgamation

	2009	2008
Property plant and equipment	**(28,036,333)**	–
Membership cards and rooms	**(80,450,000)**	–
Deferred tax	**(125,073,388)**	–
Goodwill	**(5,032,409)**	–
Finance and term loans	**(652,653,305)**	–
Investments	**(682,410,431)**	–
Accrued return on investments	**(15,561,603)**	–
Advances deposits and prepayments	**(141,095,735)**	–
Other receivables	**(130,512,183)**	–
Loans and borrowings	**1,634,974,997**	–
Deposit from customers	**186,024,307**	–
Accrued return	**41,098,864**	–
Accrued liabilities	**3,210,178**	–
Other liabilities	**4,135,193**	–
Shares to be issued	**21,526,744**	–
Share of associates	**2,910,764**	–
Dividend payable	**2,337,572**	–
Rupees	**35,393,232**	–

42. CASH AND CASH EQUIVALENTS

	Note	2009	2008
Cash at bank	15	**626,897,351**	205,624,247
Cash in hand	15	**1,989,527**	1,933,017
Overdraft	25	**(312,850,000)**	(5,654,931)
	Rupees	**316,036,878**	201,902,333

43. FINANCIAL RISK MANAGEMENT

43.1 Financial risk factors

The Company's activities expose it to a variety of financial risks from its use of financial instruments, including:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

43.2 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.

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

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location. Out of the total assets of Rs. 27,323 million (2008: Rs. 27,815 million) the assets which were subject to credit risk amounted to Rs. 24,421 million (2008: Rs. 25,551 million). Significant concentrations of the Company's risk assets by industry sector and geographical region are set out in notes 43.2.1 and 43.2.3.

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

	2009	2008
Net investment in finance leases and instalment loans	**19,523,230,601**	23,508,540,252
Long term investments	**193,955,222**	22,692,680
Long term finances and loans	**581,652,268**	458,501,570
Long term deposits	**15,339,206**	14,601,545
Short term finances	**459,989,311**	357,313,398
Accrued return on investments and term loans	**53,666,489**	28,109,483
Short term investments	**1,265,428,334**	123,849,144
Current maturity of non-current assets	**483,354,189**	174,870,867
Other receivables	**1,217,932,618**	657,880,889
Cash and bank balances	**626,897,350**	205,624,247
Rupees	**24,421,445,588**	25,551,984,075

The Company monitors the credit quality of receivables through diversification of activities to avoid undue concentration of risks with individuals, groups or specific industry segments. For such purpose, the Company has established exposure limits for single lessees and industrial sectors. The Company has an effective rental monitoring system which allows it to evaluate customers' credit worthiness and identify potential problem accounts. An allowance for potential lease, 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. The credit quality of receivables can be assessed with reference to their historical performance with no or some defaults in recent history.

The carrying value of financial assets which are neither past due nor impaired are as under:

	2009	2008
Finance lease and instalment loans	**18,243,189,513**	22,609,160,075
Investments, term finance and loans	**1,129,129,717**	–
Long term deposits	**15,339,206**	14,601,545
Accrued return on investment and term loan	**53,666,489**	28,109,483
Advances and prepayment	**96,427,809**	102,990,169
Other receivable	**1,217,932,618**	657,880,889
Cash and bank balances	**626,897,350**	207,557,264
Rupees	**21,382,582,702**	23,620,299,425

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

	2009	2008
Past due 1-30 days	**291,991,302**	282,645,252
Past due 31-60 days	**58,119,004**	38,365,080
Past due over 60 days	**929,930,782**	578,369,845
Rupees	**1,280,041,088**	899,380,177

The Company has made appropriate provisions in respect of these past due. These are secured against leased assets and security deposits generally upto 20% of the cost of leased assets, in case of finance leases and hypothecation of assets in case of instalment contracts.

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

43.2.1 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:

	2009		2008	
	Rupees	Percentage	Rupees	Percentage
Individuals (Auto lease)	**5,378,685,580**	**24.70**	6,952,271,678	28.46
Transport and communication	**2,474,818,421**	**11.37**	2,642,307,023	10.82
Services	**2,193,986,262**	**10.08**	2,522,700,074	10.33
Miscellaneous	**2,465,033,966**	**11.32**	2,261,837,875	9.26
Textile and allied	**2,128,895,375**	**9.78**	2,115,859,658	8.66
Fuel and energy	**1,780,460,276**	**8.18**	2,149,011,298	8.80
Food and allied	**877,986,495**	**4.03**	922,522,801	3.78
Trading	**771,043,614**	**3.54**	1,032,673,555	4.23
Steel and engineering	**711,515,633**	**3.27**	643,198,618	2.63
Construction	**681,745,282**	**3.13**	844,854,482	3.46
Chemical and pharmaceutical	**655,567,448**	**3.01**	650,901,456	2.66
Paper, board and printing	**430,342,906**	**1.98**	506,671,258	2.07
Cement	**227,447,450**	**1.04**	303,420,351	1.24
Sugar	**216,149,819**	**0.99**	179,122,325	0.73
Financial institutions	**456,000,142**	**2.09**	149,733,889	0.61
Consumer finance	**153,734,640**	**0.71**	371,395,286	1.52
Manufacturers of consumer goods	**172,047,046**	**0.79**	182,160,460	0.75
Rupees	**21,775,460,355**	**100.00**	24,430,642,087	100

43.2.2 Segment by sector

The Company's net investment in finance leases and instalment loans include exposure to Government/ Public sector amounting to Rs.40.76 million (2008: Rs. 0.48 million) and the balance Rs. 19,482.24 million (2008: Rs. 23,508.06 million) represents exposure to private sector.

43.2.3 Geographical segment analysis

Company's operations are restricted to Pakistan only.

43.3 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 manage 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 liabilities. The contractual maturities of 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.

	2009				
	Carrying amount	Contractual cashflows	Up to three months	Over three months to one year	Over one year
Financial liabilities					
Long term finances	9,971,150,206	13,103,809,059	426,821,206	2,880,817,586	9,796,170,267
Long term loans	5,106,032,843	5,306,210,219	644,664,941	1,030,067,258	3,631,478,020
Certificates of deposit / investment	1,768,073,115	3,142,448,418	180,295,239	620,095,969	2,342,057,210
Trade and other payables	270,469,695	270,469,695	14,299,883	252,194,094	3,975,718
Accrued Interest / mark-up on loans and term finances	881,944,734	881,944,734	649,063,917	232,880,817	–
Long term security deposits	4,525,000	4,525,000	–	–	4,525,000
Short term borrowings	712,850,000	767,750,813	324,190,813	443,560,000	–
Rupees	18,715,045,593	23,477,157,938	2,239,335,999	5,459,615,724	15,778,206,215

	2008				
	Carrying amount	Contractual cashflows	Up to three months	Over three months to one year	Over one year
Financial liabilities					
Long term finances	11,780,853,878	14,513,130,506	819,471,446	3,931,241,426	9,762,417,634
Long term loans	4,316,754,734	5,632,275,692	644,247,496	497,995,433	4,490,032,763
Certificates of deposit / investment	1,257,301,992	1,975,611,920	30,566,142	72,563,853	1,872,481,925
Trade and other payables	206,295,510	206,295,510	8,182,762	198,112,748	–
Accrued Interest / mark-up on loans and term finances	627,501,158	627,501,158	485,896,111	68,113,287	73,491,760
Short term borrowings	5,654,931	5,828,679	5,828,679	–	–
Rupees	18,194,362,203	22,960,643,464	1,994,192,636	4,768,026,747	16,198,424,082

43.4 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect 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.

43.4.1 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 borrowing in foreign currency and investment in overseas associates that are entered in a currency other than Pak Rupees. The Company uses forward foreign exchange contracts to hedge its foreign currency risk on its foreign currency borrowings. The Company's exposure to foreign currency transactions are as follows:

	2009	2008
Long term loans	4,549,775,509	4,363,885,685
Foreign currency bank account	1,777,218	1,490,852
Long term investments	1,510,888,357	1,196,623,970
Accrued interest on long term financing	345,280,243	182,461,779

The Company has hedged interest rate risk and foreign currency risk on certain long term loans with financial institutions. Had there been no hedge arrangements, loss for the year would had been higher by Rs. 731 million (2008: Rs. 466 million).

Sensitivity analysis

The Company has major currency risk in US Dollar, at reporting date, if the PKR had strengthened / weakened by 10% against the US Dollar with all other variables held constant, post-tax (loss) / profit for the year would have been lower / higher by the amount of Rs. 338 million (2008 Rs. 335 million) mainly as a result of net foreign exchange gain / loss on translation of foreign currency bank account, foreign creditors, and long term investments

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

43.4.2 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates and variable financial assets. Financial assets and financial liabilities includes balances of Rs. 6,601 million (2008: Rs. 8,833 million) and Rs. 9,509 million (2008 Rs. 9,306 million) respectively, which are subject to interest rate risks. Applicable interest rates for the same have been disclosed in their respective notes.

Sensitivity analysis for variable rate financial instruments

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

A change of 100 basis points in interest rate would have increased or decreased profit by Rs. 29.08 million (2008: Rs. 4.73 million)

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

43.4.3 Other price risk

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

Other price risk arises from the Company's investment in units of mutual funds and ordinary shares of listed companies. To manage its price risk arising from aforesaid investments, the Company diversifies its portfolio and continuously monitors developments in equity markets. In addition the Company actively monitors the key factors that affect stock price movement.

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

(Rupees in '000)

	2009	2008
Effect on equity	61,928	13,767
Effect on investments	61,928	13,767

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

43.4.4 Fair value of financial instruments

The carrying value of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

43.5 Capital risk management

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

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

44. (LOSS)/EARNINGS PER SHARE - basic and diluted

		2009	2008
	Rupees	**(467,096,343)**	266,609,560
Weighted average number of ordinary shares	Number	**79,900,256**	79,900,256
(Loss) / earnings per share - basic and diluted	Rupees	**(5.85)**	3.34

45. GENERAL

45.1 Previous year figures have been rearranged and reclassified where necessary for the purpose of comparision. Major changes represent reclassification of impairment on available for sale investments amounting to Rs. 3,453,415 from other income-net of impairement of assets 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 30, 2009 by the Board of Directors of the Company.

HUMAYUN MURAD
Chief Executive

KUNWAR IDRIS
Director

PATTERN OF SHAREHOLDING as at June 30, 2009

Number of Shareholders	Shareholding from	Shareholding to	Total Shares Held
552	1	100	16,353
439	101	500	125,935
244	501	1,000	186,626
546	1,001	5,000	1,256,835
134	5,001	10,000	936,315
71	10,001	15,000	851,241
19	15,001	20,000	340,850
13	20,001	25,000	284,770
13	25,001	30,000	365,602
3	30,001	35,000	101,362
12	35,001	40,000	461,119
4	40,001	45,000	177,017
6	45,001	50,000	286,590
2	50,001	55,000	106,500
3	55,001	60,000	172,917
2	60,001	65,000	121,965
2	65,001	70,000	135,331
1	70,001	75,000	74,000
3	75,001	80,000	235,902
2	80,001	85,000	166,616
2	90,001	95,000	182,488
1	105,001	110,000	106,843
1	120,001	125,000	122,079
2	150,001	155,000	283,560
1	180,001	185,000	180,402
2	195,001	200,000	396,860
1	200,001	205,000	200,220
1	205,001	210,000	207,000
1	210,001	215,000	210,145
1	215,001	220,000	218,920
1	260,001	265,000	261,625
1	285,001	290,000	285,025
2	335,001	340,000	679,000
1	360,001	365,000	362,323
1	390,001	395,000	391,790
1	435,001	440,000	438,077
1	495,001	500,000	496,135
1	520,001	525,000	522,732
1	555,001	560,000	557,393
1	885,001	890,000	888,495
1	1,030,001	1,035,000	1,035,000
1	1,120,001	1,125,000	1,120,900
1	1,165,001	1,170,000	1,167,250
1	1,340,001	1,345,000	1,340,022
1	2,540,001	2,545,000	2,544,468
1	2,900,001	2,905,000	2,903,580
1	2,990,001	2,995,000	2,990,929
1	4,235,001	4,240,000	4,237,290
1	4,310,001	4,315,000	4,310,902
1	4,985,001	4,990,000	4,986,460
1	39,865,001	39,870,000	39,868,497
2106			79,900,256

Pattern of Shareholding as at June 30, 2009

Categories of Shareholders	Number of Shares held	Category wise no of Shareholders	Category wise Shares Held	Percentage %
Individuals		2,006	9,502,465	11.89
Investment Companies		4	9,688	0.01
Joint Stock Companies		26	214,048	0.27
Directors, Chief Executive Officers and their Spouse and Minor Children				
Mr. Fumihiko Sato	575			
Mr. Hideo Ichida	575			
Mr. Makoto Inoue	575			
Mr. Kunwar Idris	661			
Mr. Shaikh Shahid Usman	500			
Mr. S. Saeed Reza	76,537			
Mr. Humayun Murad	151,246			
		7	230,669	0.29
Executives		24	206,269	0.26
NIT/ICP				
National Bank of Pakistan Trustee Deptt.		3	5,927,571	7.42
Assiciated Companies, Undertakings and Related Parties				
ORIX Corporation*		1	39,868,497	49.90
Public Sector Companies and Corporations		-	-	-
Banks, DFIs, NBFCs, Insurance Companies				
Modarbas and Mutual Funds		15	8,064,318	10.09
Foreign Investors		8	14,690,682	18.39
Others		12	1,186,049	1.48
Total		2,106	79,900,256	100.0

ORIX GROUP DIRECTORY

OPERATIONS IN JAPAN

	Principal Business	Established (Acquired)	Direct / indirect Investment
● Corporate Financial Services			
ORIX Corporation			
Domestic Sales Administrative HeadQuarters	Lending, Leasing, Other Financial Services	Apr. 1964	
ORIX Alpha Corporation	Leasing, Lending	Mar. 1972	100%
ORIX Eco Service Corporation	Consulting Related to Waste Processing and Recycling, Enviromental Management Support Services	Apr. 1998	100%
Momiji Lease Corporation	Leasing	(Mar. 2002)	95%
NS Lease Co. Ltd.	Leasing, Lending, Other Financial Services	(Jul. 2002)	100%
ORIX Resource Recycling Services Corporation	Waste Recycling	Sep. 2002	100%
ORIX Kitakanto Corporation	Leasing, Lending, Other Financial Services	(Jan. 2005)	95%
ORIX Tokushima Corporation	Leasing, Lending, Other Financial Services	(Oct. 2005)	95%
Internet Research Institute, Inc.	Consulting and Investment Business Centered on IP Technology	(Nov. 2007)	100%
Funabashi Eco Services Corporation	Waste Disposal	(Mar. 2008)	100%
● Maintenance Leasing			
ORIX Auto Corporation	Automobile Leasing & Rentals, Car Sharing	(Jun. 1973)	100%
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			
ORIX Corporation			
Real Estate Business Headquarters	Development and Rentals of Commercial Real Estate, Candominium Development and Sales	Apr. 1964	
ORIX Estate Corporation	Golf Course Management	(Dec. 1986)	100%
Blue Wave 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	Development and Rentals of Commercial Real Estate, Condominium Development and Sales	Mar. 1999	100%
ORIX Asset Management Corporation	REIT Asset Management	Sep. 2000	100%
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%
ORIX Real Estate Advisors Corporation	Real Estate Investment & Advisory Services	Sep. 2007	100%
● Investment Banking			
ORIX Corporation			
Investment Banking Headquarters	Real Estate Finance, Commercial Real Estate Asset Securitization, Principal Investment	Apr. 1964	
ORIX Capital Corporation	Venture Capital	Oct. 1983	100%
ORIX Investment Corporation	Alternative Investment	Jan. 1990	100%
ORIX Asset Management & Loan Services Corporation	Loan Servicing	Apr. 1999	100%
ORIX M&A Solutions Corporation	M&A & Corporation Restructuring Advisory Services	Feb. 2003	100%
● Retail			
ORIX Credit Corporation*	Card Loans	Jun. 1979	100%
ORIX Securities Corporation	Securities	(Mar. 1986)	100%
ORIX Life Insurance Corporation	Life Insurance	Apr. 1991	100%
ORIX Trust and Banking Corporation	Trust & Banking Services	(Apr. 1998)	100%

	Principal Business	Established (Acquired)	Direct / indirect Investment
● ORIX Headquarter Functions (Not Included in Segment Financial information)			
ORIX Insurance Services Corporation	Casualty & Life Insurance Agency	Sep. 1976	100%
ORIX Computer Systems Corporation	Software Engineering & Systems Management	Mar. 1984	100%
ORIX Baseball Club Co., Ltd.	Professional Baseball Team Management	(Oct. 1988)	100%
ORIX Create Corporation	Coordination of Advertising Activities	Jul. 1998	100%
ORIX Management Information Center Corporation	Accounting & Aministrative Services	Oct. 1999	100%
ORIX Callcenter Corporation	Call Center	Nov. 1999	100%
ORIX Human Resources Corporation	Outplacement Services	Feb. 2002	100%
ORIX Business Support Corporation	Business Support Services	Apr. 2007	100%
ORIX Insurance Planning Corporation	Agency Sales & Development of Non-Life Insurance Products	Sep. 1999	50%

* ORIX transferred an amount of common shares equaling 51% of issued shares of ORIX Credit Corporation to Sumitamo Mitsui Banking Corporation in July 2009 for the purpose of joint collaboration

OVERSEAS OPERATIONS

	Country	Principal Business	Established (Acquired)	Direct / indirect Investment
● The Americas				
ORIX Corporation	Japan			
Global Business and Alternative Investment Headquarters*[1]		Administration of Overseas Activities Ship-Related services, Aircraft-Related Services, Alternative Investment	Apr. 1964	
ORIX Maritime Corporation*[1]	Japan	Ship-Related Services	Nov. 1977	100%
ORIX Aircraft Corporation*[1]	Japan	Aircraft Leasing	May. 1986	100%
ORIX USA Corporation	U.S.A.	Corporate Finance Investment Banking Real Estate	Aug. 1981	100%
ORIX Asia Limited	China (Hong Kong)	Leasing, Automobile Leasing	Sep. 1971	100%
ORIX China Corporation	China	Leasing	Aug. 2005	98%
CHINA RAILWAY LEASING CO., LTD.	China	Railway-Related Leasing	(Jan. 2006)	25%
ORIX Leasing Singapore Limited	Singapore	Leasing, Hire Purchase, Lending	Sep. 1972	50%
ORIX Investment and Management Private Limited	Singapore	Equity Investment	May. 1981	100%
ORIX CAR RENTALS PTE. LTD.	Singapore	Automobile Leasing & Rentals, Leasing	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 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%
PT. ORIX Indonesia Finance*[3]	Indonesia	Leasing, Automobile Leasing	Apr. 1975	96%
ORIX METRO Leasing and Finance Corporation	Philippines	Leasing, Auotbomile Leasing, Lending	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 PLC.	Sri Lanka	Automobile Leasing, Hire Purchase	Mar. 1980	30%
ORIX Taiwan Corporation	Taiwan	Leasing, Hire Purchase, Loan Servicing	Sep. 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 Leasing Pakistan Limited	Pakistan	Leasing, Automobile Leasing	Jul. 1986	50%
ORIX Properties Pakistan (Private) Ltd.	Pakistan	Real Estate Development and Management	Aug. 2007	67%

	Country	Principal Business	Established (Acquired)	Direct / indirect Investment
ORIX Australia Corporation Limited	Australia	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%
Infrastructure Leasing & Finance Services Limited	India	Commercialization of Infrastructure Projects, Investment Banking, Corporation 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)	33%
Oman ORIX Leasing Company SAOG	Oman	Automobile Leasing, Hire Purchase, Factoring	Aug. 1994	24%
ORIX Polska S.A.	Poland	Leasing, Automobile Leasing Hire Purchase, Lending	Oct. 1995	100%
ORIX Leasing Egypt SAE	Egypt	Leasing	Mar. 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	39%
Majid Al Futtaim JCB Finance LLC	U.A.E.	Credit Card Issuing	Jun. 2008	30%
ORIX Capital Korea Corporation	Korea	Automobile Leasing, Lending, Hire Purchase, Lending	Feb. 2004	100%
BTA ORIX Leasing JSC	Kazakhstan	Leasing, Factoring	(Jun. 2005)	40%
ORIX Investment and Management Private Limited	Vietnam	Equity Investment Securities Brokerage	Aug. 2008	100%

*1 ORIX Corporation's Global Business and Alternative Investment Headquarters as well as ORIX Maritime Aircraft Corporation are based in Japanand are engaged in business activities centered on the Asia, Oceania and Europe region."
*2 Percentage of voting rights in 100%.
*3 Percentage of voting rights in 85%.
*4 Percentage of voting rights in 70%.

PARENT COMPANY

ORIX CORPORATION

4-1-23, Shiba, Minato-ku,
Tokyo 108-0014, Japan
Tel: 81-3-5419-5000
Fax: 81-3-5419-5903

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) 27922757-9
Fax: (202) 27922760

Saudi ORIX Leasing Company
P.O. Box 22890, Riyadh 11418
343 Al Ma'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) 507979
Fax: (77272) 718545

Joint Venture in Pakistan

ORIX Properties Pakistan (Private) Ltd.
42, (C) E/1, Gulberg III
Lahore
Tel: (042) 5777823-6
UAN: (042) 111-000-737
Fax: (042) 5777819

OFFICES IN PAKISTAN ORIX Leasing Pakistan Limited

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

Korangi Office
Plot No 16, Sector 24, Korangi Industrial Area
Karachi.
Tel: 021-5071661-5 , 5071040-3

E-Business Division
49 D, PECHS Block 6 Karachi.
UAN: 111-767-657
Fax: 021-4376911

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: 042-5842560-1,5842171,5842964
Fax: 042-5845975,5845974

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

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

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

ORIX

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 Third Annual General Meeting of the Company to be held on October 27, 2009 and at any adjournment thereof.

Signature this ____________________ Year 2009
(day) (date, month)

Please affix revenue stamp

Signature of Member : ____________________

Folio Number : ____________________

Number of shares held : ____________________

Signature and Company seal

Signatures and addresses of witnesses

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.