

PRIDE IN EXCELLENCE

Annual
Report
2016



PRIDE IN EXCELLENCE

Completing 30 years is a great achievement for us. We have come a long way since our humble beginning. From building a diverse portfolio to having international investments, we have achieved a lot over the years. We take pride in the success we have shared, both with our customers and employees. We take pride in enabling our customers to grow, leaps and bounds, truly changing lives. But coming this far has not been without extraordinary efforts. Let us share some of the thoughts behind our Pride in Excellence, as the theme of our milestone annual report this year.

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PRIDE

in keeping our

PRIDE





US



VISION

“ Excellence in pioneering creative and flexible financial services for a diverse market.”

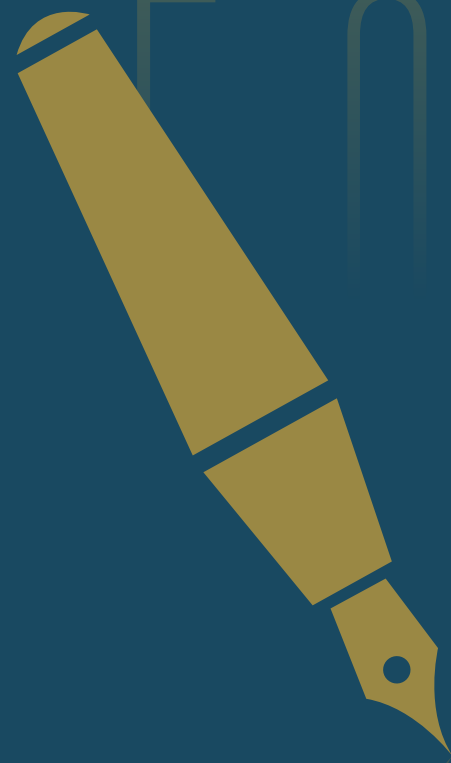




MISSION

“A corporate culture and environment that attracts and fosters the best available talent, inspires trust of customers, promotes innovation in products and services, creates value for all stakeholders, and is inclusive of support to the less privileged by improving their access to finance.”

CORE VALUES





OWNERSHIP

We protect the interests of the Company as if it is our own business.

CUSTOMER FOCUS

We are because of our customers and our success lies in their satisfaction.

INNOVATION

We seek continuous improvement and encourage creativity.

INTEGRITY

We promote honesty and fairness in all our actions.

TEAMWORK

We work together to create synergies.

RESPECT

We respect each others' feelings and opinions.



STRATEGIC OBJECTIVES

- To make ORIX an iconic brand in the Country with strong brand loyalty and maintain its position as an industry leader.
- To develop highest standards of corporate governance, far exceeding those of the Code of Corporate Governance.
- To take on challenges and create opportunities that contribute to society and meet expectations of shareholders.
- To maintain highest credit ratings in the non-banking financial sector of the Country.
- To have the best possible standards of customer services and satisfaction through our well-trained and experienced human resources.
- To be the catalyst in propelling Small and Medium Enterprise (SME) growth and development across Pakistan.
- To provide maximum security to retail depositors.



- To establish and adopt best practices in risk management, control and monitoring.
- To bring maximum transparency in all spheres of business by introducing well defined Corporate Governance policies.
- To invest in people and upgrade our staff's capabilities by training and development.
- To maximize return to shareholders consistently by steadily increasing ROE and ROA.

CODE OF BUSINESS ETHICS

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

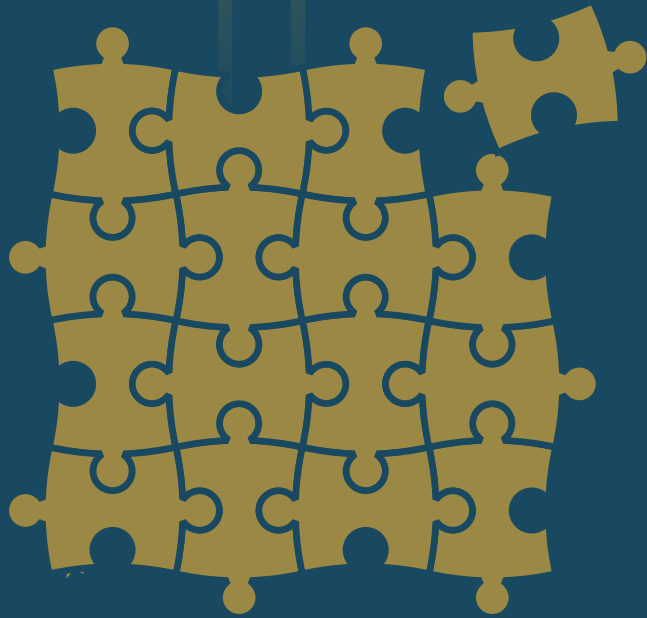


The Company has adopted the following code of conduct principles;

- Comply with applicable laws, rules and regulations in letter and spirit.
- Adhere to the highest standards of integrity and ethical business conduct.
- Act in the best interests of the Company by ensuring that personal interests do not influence decision-making ability.
- Protect OLP's proprietary and sensitive information by maintaining the highest level of confidentiality, both within and outside the Company.
- Maintain a conducive working environment by treating each other with respect, fairness and dignity.
- Exercise due care and act within the scope of own authority.

PRIDE in working

TOGETHER





T H E R



OUR PEOPLE



Human Resources

ORIX Leasing Pakistan Limited (OLP) is proud to have a highly experienced, dedicated and professionally qualified team which provides us a strong foundation. By promoting the fusion of knowledge and expertise that comes from diversity in age, gender or previous work history, OLP enables employees to demonstrate their capabilities and expertise to their fullest possible extent in order to create value for all stakeholders.

Talent Acquisition & Retention:

OLP focuses on developing and retaining staff and ensures that it always has a pool of engaged and talented employees. We believe that the success of our business plans are directly linked to the quality of our human resources. In order to achieve Company's strategic goals, we aim to nurture careers by providing relevant opportunities and helping staff to develop skills, knowledge and experience in different functions and locations.



Building Capabilities:

OLP encourages its staff to leverage their strengths in an optimal manner in order to contribute to the Company's growth and help develop their individuals' talents.

The training and development function at OLP supports the Company's strategic goals by building a motivated, engaged and high performing workforce. Learning & Development opportunities are offered to employees throughout the Company for which both internal and external trainings are emphasized based on their learning needs.

Training programs are identified and designed to provide employees opportunities to further enhance their skills to deliver in their current role and prepare them for positions of higher responsibility.

Senior Executives are also sent on trainings offered in other countries to hone their skills in areas which are critical to the growth of the business.

In addition, OLP also offers overseas opportunities to encourage and retain high potential individuals and enrich their work experience.



Performance Recognition & Reward:

OLP believes that for sustainable and consistent growth we need to reward our employees not only for their performance but also for demonstrating Behaviour which is aligned with the Company’s core values.

In order to reward high performing individuals and business units/zones, an annual event is organized where these employees and business units are appropriately recognized for their contribution. This ensures that employees feel appreciated and also facilitates the achievement of their personal and professional goals.

Employer Branding Initiatives:

To attract the best talent and to continue as one of the most sought after employers in the Country, OLP keenly participates in Job Fairs and Recruitment Drives in Universities and Educational Institutes across the Country. At such platforms, students and alumni are informed about OLP and its culture and values. Students are also guided on how they can prepare for careers in the Company.

Employee Engagement:

Well engaged employees are OLP’s greatest strength. The engagement process for us starts as soon as an employee joins the Company.

Orientation Programs:

OLP has always given importance to creating an enduring experience for new recruits by offering orientation programs. The orientation programs are designed to help familiarize new hires with their colleagues, the way the Company operates and work expectations. The program gives new joiners a chance to interact with senior management and other employees of different departments. Such interactions help them understand the Company’s vision, values and business

strategy so that they can be a living part of it. Another initiative at OLP is to invite staff members from various Zones and Branches for orientation programs at Head Office – Karachi, Regional Office - Lahore and other Zonal Offices. During these sessions, employees are encouraged to share ideas, participate in discussions, and are given opportunity to interact with all staff and Departmental Heads at the respective offices. This not only helps in improving staff collaboration, but also assists in keeping staff engaged, inspired, motivated and in broadening their horizons.

Team Building Events:

To maintain employee morale, various engagement activities such as Annual Award Distribution Ceremony, Annual Lunch, Sports Galas and Eid get together are regular events at OLP.

Knowledge Sharing Sessions:

Knowledge sharing sessions are organized to keep employees abreast with the recent business trends and future challenges. These sessions are conducted by senior executives and help in understanding our business, improving business processes and enhancing employees’ capabilities.





COMPANY

PROFILE

The Company is headquartered in Karachi and has 30 branches situated in 26 cities. OLP's major shareholder is ORIX Corporation of Japan (ORIX) having 49.6% shareholding. Established in 1964, ORIX is one of Japan's leading integrated financial services groups with operations in 36 countries worldwide. The group has experience of over 50 years of operations and has a total asset base of US\$ 101 billion and equity of US\$ 19 billion as at March 31, 2016.

OLP offers value-added financial products and innovative customized services to a wide array of customers throughout the Country. The blend of international experience and local expertise acquired over the last 30 years provides OLP a distinctive competitive edge. OLP takes pride in the fact that it has played a major role towards the economic development of the Country by supporting the Small and Medium Enterprises (SME) Sector and in doing so, has created thousands of jobs both directly and indirectly. It has helped grow numerous small businesses into medium sized enterprises. Today OLP is the largest SME focused Non-Banking Finance Companies in Pakistan.

OLP has strategic investments in four associated overseas joint venture leasing companies. In addition to management support and technical assistance, OLP also provides key executive staff for its overseas associates.



ORIX Leasing Pakistan Limited (“OLP”) was established in July 1986 as a joint venture between ORIX Corporation, Japan and local investor. The Company is listed on the Pakistan Stock Exchange.

ORIX CORPORATION

ORIX Corporation is one of the largest non-bank financial services groups in Japan, providing innovative value added products and services to both corporate and retail customers. It is listed on both the Tokyo and New York Stock Exchanges, with operations in 36 countries across the world and diversified over a wide range of products.

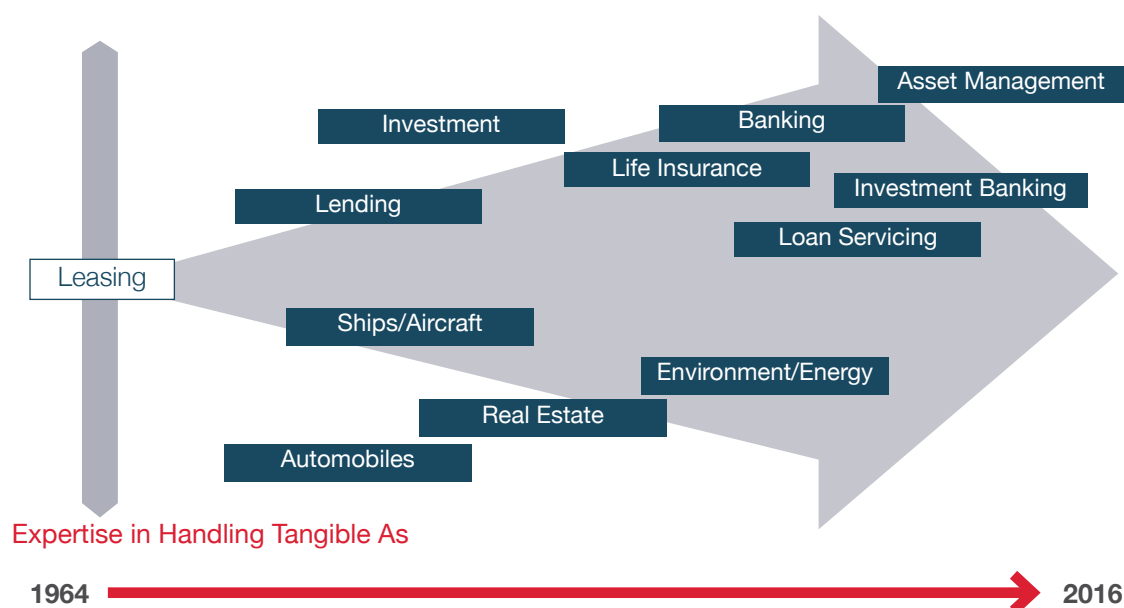
ORIX has a record of sustained growth over last five decades by pursuing new profit earning opportunities through specialized capabilities and broadening operational scope. The Group's fundamental strength lies in its ability to keep one step ahead of the competition by identifying and developing new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

ORIX Corporation, Japan – Financial Highlights	Amount is US\$ million	
	March 31, 2016	March 31, 2015
Total revenues	19,323	18,047
Profit before Income Taxes and Discounted Operations	3,057	2,855
Total equity	19,126	19,240
Total assets	101,698	94,982

DIVERSE BUSINESS PORTFOLIO

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





Credit Screening and Finance Capability



Expertise in Handling Tangible As

ASSOCIATED COMPANIES

The Company's international activities started in 1993 with the establishment of a leasing company in Oman. Since then, associates have been established in Egypt, Saudi Arabia, UAE and Kazakhstan. During the year ended June 30, 2016, ORIX Leasing Pakistan Limited's (OLP's) overseas associates are:

	Associate	Established
	Oman ORIX Leasing Company SAOG (OOLC)	1993
	ORIX Leasing Egypt SAE (OLE)	1997
	Saudi ORIX Leasing Company (SOLC)	2001
	Al Hail ORIX Finance PSC (Formely:MAF ORIX Finance PJSC, UAE)	2002

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

OLP's shareholding in its Associates and their financial highlights are summarized below:

Company	OLP's Holding %	LCY	Profit for the year Dec 31, 2015		Total Assets as at Dec 31, 2015		Profit for the Half Year June 30, 2016	
			LCY in 000	Rs. In 000	LCY in 000	Rs. In 000	LCY in 000	Rs. In 000
OOLC	11.64%	RO	5,272	1,436,251	161,721	44,057,652	2,600	707,403
SOLC	2.50%	SR	104,238	2,912,410	2,035,621	56,875,251	34,502	963,478
OLE	23.00%	LE	9,924	133,081	698,877	9,371,941	4,108	48,474
Al Hail	3.00%	AED	9,792	279,660	1,106,743	31,608,580	(2,490)	(71,020)

COMPANY

BOARD OF DIRECTORS

Mr. Khalid Aziz Mirza
Chairman & Independent Non Executive Director

Mr. Hiroshi Nishio
Non Executive Director

Mr. Harukazu Yamaguchi
Non Executive Director

Ms. Nargis Ghaloo*
Non Executive Director

Mr. Shahid Usman
Independent Non Executive Director

Mr. Hideaki Yokoyama**
Non Executive Director

Mr. Takeshia Kaneda
Non Executive Director

Mr. Shaheen Amin
Chief Executive Officer & Executive Director

AUDIT COMMITTEE

Mr. Shahid Usman
Chairman

Mr. Hideaki Yokoyama**
Member

Mr. Takehisa Kaneda
Member

CREDIT COMMITTEE

Mr. Shaheen Amin
Member

Mr. Ramon Alfrey
Member

Mr. Amjad Iqbal
Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Ms. Nargis Ghaloo*
Chairperson

Mr. Hiroshi Nishio
Member

Mr. Hideaki Yokoyama
Member

Mr. Shaheen Amin
Member

CHIEF FINANCIAL OFFICER

Mr. Ramon Alfrey

COMPANY SECRETARY

Ms. Effat Assad

HEAD OF INTERNAL AUDIT & SECRETARY TO AUDIT COMMITTEE

Ms. Maryam Aziz

SHARIAH ADVISOR

Mufti Ibrahim Essa

REGISTERED OFFICE

Islamic Chamber of Commerce Building,
Ground Floor, ST-2/A, Block 9, KDA
Scheme No.5, Clifton, Karachi-75600

HEAD OFFICE

ORIX Building, Plot No.16, Sector
No.24, Korangi Industrial Area,
Karachi-74900

* Resigned on September 29, 2016

** Appointment is subject to approval of the Securities and Exchange Commission of Pakistan

INFORMATION

CREDIT RATING BY THE PAKISTAN CREDIT RATING AGENCY

Long term entity rating AA+
Short term entity rating A1+

BANKS AND LENDING INSTITUTIONS

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

AUDITORS

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

LEGAL ADVISORS

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

REGISTRAR AND SHARE TRANSFER OFFICE

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

PRIDE

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PRIDES

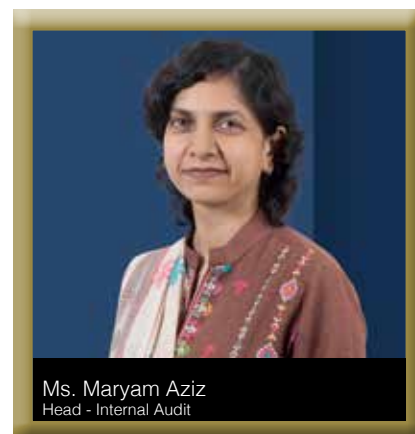
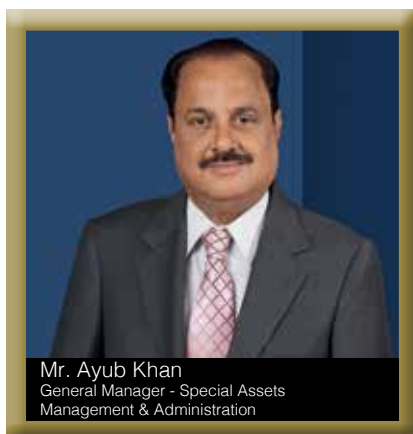
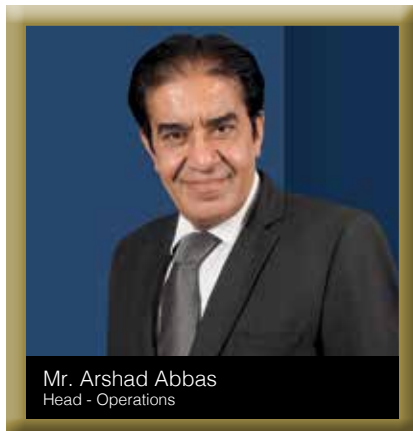




PERECT



THE MANAGEMENT TEAM





Mr. Kashif Yaqoob
General Manager Corporate
Planning & Communication



Mr. Masood Ahmed Zia
General Manager Human Resource



Ms. Effat Assad
Company Secretary



Mr. M. Ismail Khan
Head - Business Control



Mr. M. Moizuddin
Head - Information System



Mr. Nadeem Amir Ali
Head - Compliance



Mr. Imtiaz Chaudhry
Head - Corporate Lease Division



Mr. Tahir Ali Shah
Head - Commercial Vehicle Division



Mr. Khawar Sultan
Head - Consumer Auto Division

DIRECTORS'

PROFILE



Mr. Khalid Aziz Mirza

Chairman & Independent Non Executive Director

Mr. Khalid Aziz Mirza has nearly 50 years of work experience.

From 1966-68 he served in a variety of executive positions in the Asmirali Fancy Group, a diversified business conglomerate. Next, between 1968-83, Mr. Mirza gained extensive investment banking experience both in Pakistan and in the United Kingdom in the areas of project finance, corporate mergers and acquisitions, securities issuance and trading, and portfolio management. He joined IFC as an investment officer in February 1983. Rising through successive promotions, he served as IFC's Chief of Mission in Turkey (1994-96) and Chief of Regional Mission in Thailand (1998-2000).

Thereafter, as Chairman of the Securities & Exchange Commission of Pakistan (2000-2003) he implemented a major program of capital markets and corporate sector reform and took steps to enhance the institutional capacity of the Commission. He then managed the World Bank's programme to develop the financial sector and private sector in the East Asia and Pacific Region between 2003-06. Subsequently, as Chairman of the Monopoly Control Authority (July 2006-October 2007), he introduced reforms aimed at improving the effectiveness of the institution and advised the Government on its conversion into a modern competition agency. Appointed first Chairman of the Commission with effect from October, 2007 to August, 2010 and successfully implemented all aspects of the new competition regime. Also, engaged in substantive measures to build the capacity of the Commission achieving a high standard of agency effectiveness.

Since September, 2010, Mr. Mirza has been teaching in LUMS (Lahore), including as a full professor as of April, 2014.



Mr. Hiroshi Nishio

Non Executive Director

Mr. Nishio graduated from Seikei University, Japan and joined ORIX Corporation in January 1991. Mr. Nishio has served in various senior capacities within ORIX Corporation, Japan and other ORIX Group Companies. Currently he is serving as an Executive Officer / Deputy Head of Global Business and Alternative Investment Headquarters in ORIX Corporation, Japan. He is also serving as Director on the Board of other overseas ORIX Group Companies.



Mr. Harukazu Yamaguchi
Non Executive Director

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



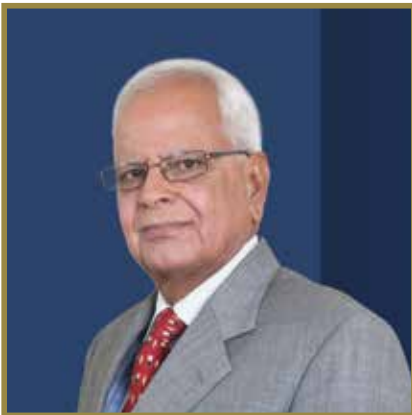
Ms. Nargis Ghaloo*
Non Executive Director

Ms. Nargis Ghaloo is presently the Chairperson of State Life Insurance Corporation of Pakistan and is also on the Board of Public & Private Sector Companies as a shareholders representative. She holds a Master's Degree in English from University of Sindh in the year 1981; subsequently she cleared the competitive examination in the year 1982. During her service at leading position on various organizations she participated in prestige courses such as "Negotiation and Dispute Resolution Workshop" Singapore in 1992, "Executive Leadership Development Program" at John F. Kennedy School of Government, Harvard University in 2005, "National Management Course" at National Management College Lahore in 2009, "Public Sector Administration and Financial Management" at Singapore in 2014. She is an officer of Federal Government in BPS 22, has formerly held positions of Additional Secretary Cabinet Division, Government of Pakistan, DG President Secretariat, Secretary Women Development, Executive Director State Life Insurance Corporation of Pakistan. In addition she had held various administrative assignments in Federal & Provincial Government.

*Resigned on September 29, 2016

DIRECTORS'

PROFILE



Mr. Shahid Usman

Independent Non Executive Director

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



Mr. Hideaki Yokoyama

Non Executive Director

Mr. Yokoyama graduated from Keio University, Japan and joined ORIX Corporation in April 1992. Mr. Yokoyama has served in various senior capacities within ORIX Corporation, Japan and other ORIX Group Companies. Currently he is serving as Deputy Representative in ORIX Dubai Representative Office. He is also serving as in-charge of new business developments in MENA and monitoring all joint venture companies within ORIX group in MENA as Director.



Mr. Takehisa Kaneda
Non Executive Director

Mr. Kaneda is a graduate from Keio University, Japan and he is also Chartered Member of The Securities Analysts Association of Japan. He joined ORIX Corporation in April 1988 and has served in various senior capacities within ORIX Overseas Group Companies. Currently, he is serving as Nominee Director of ORIX Corporation, Japan in Infrastructure Leasing & Financial Services Limited, IL & FS Securities Services Limited, IL&FS Asian Infrastructure Managers Ltd, ORIX Auto Infrastructure Services Limited, ORIX Leasing and Financial Services Limited and Lanka ORIX Leasing Company PLC.



Mr. Shaheen Amin
Chief Executive Officer & Executive Director

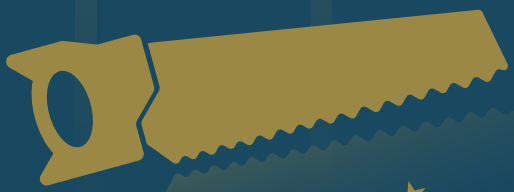
Mr. Amin joined OLP in December 1986 and after serving in various capacities was appointed Deputy Managing Director in January, 1992. Mr. Amin was appointed the founding General Manager of Oman ORIX Leasing Company SAOG in 1993 and was appointed the founding General Manager of Saudi ORIX Leasing Company in 2000. In February 2016, Mr. Amin assumed his current assignment as Chief Executive Officer of OLP. Mr. Amin has an MBA from Booth School of Business, University of Chicago and an Executive MS in Risk Management from Stern School, New York University.

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

PRIDE

in our portfolio

DRIVER

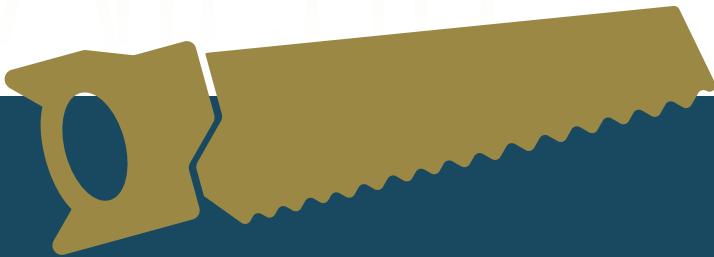




S I T Y



MICRO CREDIT



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

Changing lives and helping them achieve excellence. Creating possibilities where there were no options.



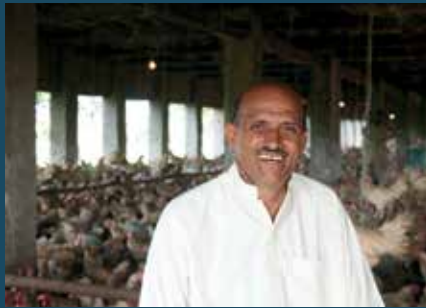
MS. RUQIA BIBI

Proprietor
Ruqia Steel Bangles Maker



MS. FATIMA SHABANA

Proprietor
Fatima Handicrafts Carving Center



MR. NISHAN ALI

Proprietor
Haji Nishan Poultry Farm



MR. MOHAMMAD SALEEM

Proprietor
Lahori Aloo Chana Chat



MS. QISMAT BIBI

Proprietor
Qismat Hand Fans Maker



AUTO LEASE



ORIX Auto Lease offers flexible product range tailored to suit the specific requirements and financial need of individual customers. Our dedicated professional executives ensure that we not only respond positively to our customer requirements but also provide customized innovative structures to suit their cash flow requirements. Our teams of specialists have the skill set to assess an individuals needs and develop customized solutions. Our products are transparent and as easy to understand as road signs. Walk in to drive your own car – simply and quickly.

Helping people go places, and achieve their goals. Keeping peace-of-mind at the center of our offerings.



MR. MUHAMMAD FARAZ KHAN

CEO
Tag Soft (Graphic) Technologies



MR. KHAWAJA MURAD MASHOOQULLAH

Director
Human Resource Solutions Pvt. Limited



MR. FAHEEM AHMED KHAN

Proprietor
Powertech



GENERATOR RENTAL BUSINESS



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

Filling the energy gap, where it is most needed. Gaining confidence and trust with responsibility.



MR. MOHSIN KHAN

Assistant Manager Finance
South City Hospital (Pvt.) Limited



SYED MANZAR ALI RAZMEE

Manager Finance
Port Grand Limited



MR. NEHAL ASHRAF

GM Facilities & Utilities
Dr. Ziauddin Hospital

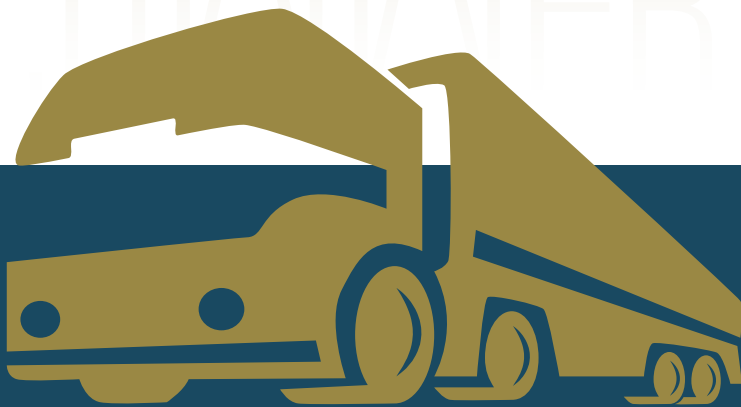


SYED SHEES AHMED

Associate Manager Electrical
Getz Pharma (Pvt) Limited



COMMERCIAL VEHICLE LEASE



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



Giving momentum to businesses by keeping the wheels turning, building lasting relationships.



MR. MUHAMMAD ZUBAIR

Proprietor
Shaheen Waziristan Goods Transport Company



MR. KHUSNOOD AHMED

Proprietor
Ak Transport Company

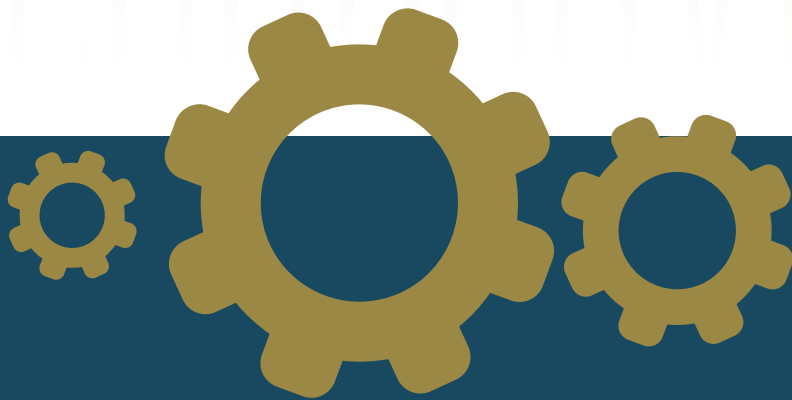


MR. OBAID GUL

Proprietor
Swabi Karachi Goods Transport Company

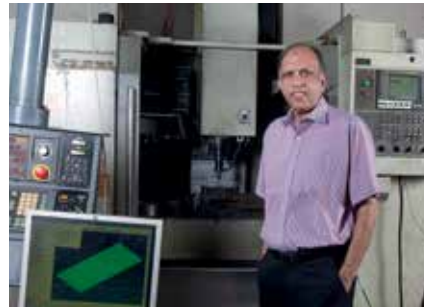


CORPORATE LEASE DIVISION



Providing a lifeline to business entities ranging from small & medium enterprises to large business corporations, ORIX CORPORATE LEASE DIVISION has the ability and capacity to tailor financial products to suite our client's requirements. Having provided financial solutions to thousands of clients in the country, Corporate Division still has the same level of commitment and enthusiasm to serve its customers as it had at the time of inception of the Company. Presence in cities throughout Pakistan, dedicated team, and our customer friendly approach makes it convenient for our patrons to benefit from our financial products and expand their business.

Empowering entrepreneurs to grow bigger and gain success. Proud to be the choice of people who are best at what they do.



MR SHOAB IQBAL QADRI

Proprietor
Shoab Iqbal Engineering Works



MR TALIB HUSSAIN

Chairman
Bashir Sons Steel Group



DR. ZAFAR MUSTAFA JAJJAH

Chief Executive
Dyson Pharmaceutical Group



MR OMAR AHMAD MALIK

Director
UBC Convertec (Pvt) Ltd.



ORIX CERTIFICATES OF DEPOSIT



ORIX Leasing Pakistan Limited (OLP) has built strong relationships with its depositors, which is ORIX Certificate of Deposit's (CODs) key strength. Our trained team, offering professional advice, backed by strong operations results in an efficient and hassle free investment experience for our customers. OLP has been successful in developing a loyal and satisfied customer base, which is evident from a deposit base of close to Rs. 9.7 billion. Major success factors are the immaculate service standards and strong financial position of the Company.

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

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

ORIX CODs offer flexible investment options with maturity terms ranging from 3 months to five years and profit payments can be periodic or accumulated till maturity. Innovation and value addition are hallmarks of our deposit schemes, which provide our investors best value for their money.

“Our AA+ long term entity rating and A1+ short term entity rating dated January 2016, from PACRA is an endorsement of our financial stability”



- Tenure ranges from 3 months to one year with profit monthly or on maturity
- Keep your funds liquid yet get good return.
- Encashable after 3 months of investment date without any penalty...



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



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



- Tenure ranges from 1 to 5 years with monthly, semi- annual or quarterly return
- Market based return plus a spread based on tenure



- Tenure ranges from 2 to 5 years profit & principal to be paid on maturity
- Get the benefit of compounding

PRIDE

in executing new

PRIDE





AS



GROWING THROUGH ACQUISITION

ISLAMIC FINANCE



MUDARABA ACQUISITION

On June 20, 2016 OLP acquired 100% shareholding of Standard Chartered Services of Pakistan (Private) Limited (SCS) which is the Management Company of Standard Chartered Mudaraba (SCM). SCS holds 10% of the Mudaraba Certificates of SCM. In addition, OLP directly acquired 10% of SCM's Mudaraba Certificates.

By virtue of the above transactions, OLP has acquired controlling interest in SCS and SCM and these companies are now classified as subsidiaries of OLP. The name of SCS has subsequently been changed to ORIX Services Pakistan (Private) Limited and SCM has been renamed as ORIX Mudaraba (OM).



These acquisitions give ORIX Leasing Pakistan Limited, entry into the Country's Islamic finance market. OM has thirty years of successful operations and with its experienced senior management, OM is a welcome addition to the ORIX group in Pakistan.

PRIDE

in enjoying what we

ACHIEVE





THE EVEN E



C O R P O R A T E

Milestones

1986

Incorporation of Orient Leasing Pakistan (Private) Limited.

1987

Commencement of Business by Introducing the First Product - Corporate Lease. Status changed to Public Limited Company.

1989

Name Changed to ORIX Leasing Pakistan Limited.

1992

Launching of Auto Lease Segment.

1993

Opening of First Overseas Joint Venture in Oman.

1997

Opening of Joint Venture Company in Egypt.

2000

Launching of Operating Lease.

HISTORY

**Acquisition of Standard Chartered
Leasing, Standard Chartered
Modaraba & Standard Chartered
Services**

416

2001

Opening of Joint Venture Company in Saudi Arabia.

2002

Opening of Joint Venture Company in UAE.

2003

Launching of Micro finance & Agricultural Lease & Finance.

2008

Launching of Commercial Vehicle Segment.

2011

Establishment of Islamic Finance Division.

2016

Acquisition of Standard Chartered Leasing, Standard Chartered Modaraba & Standard Chartered Services of Pakistan Private Limited.

DIRECTORS'

R E P O R T



The Directors of ORIX Leasing Pakistan Limited (OLP / the Company) are pleased to present the Thirtieth annual report together with the Unconsolidated Financial Statements for the year ended June 30, 2016.

THE COMPANY

ORIX Leasing Pakistan Limited (OLP) was incorporated in July 1986 as a joint venture between ORIX Corporation, Japan and local investors. The Company is licensed to carry out leasing business as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan.

OLP specializes in providing lease financing to small and medium-sized enterprises, however, its customer base also includes large corporations, public listed companies, micro enterprises and individuals. The Company also has investments in overseas associates in the Middle East and North Africa and provides management support to these associates.

FINANCIAL INFORMATION

The financial results of the Company are summarised below:

	2016	2015
	Rupees	
Profit before taxation	968,082,315	808,088,614
Taxation	212,916,615	180,191,463
Profit from continuing operations	755,165,700	627,897,151
(Loss)/ Profit after taxation from discontinued Operations	(12,990,050)	43,006,388
Profit for the year	742,175,650	670,903,539
Earnings per share – basic & diluted		
From continued operations	9.20	7.65
From discontinued operations	(0.16)	0.53
Total	9.04	8.18
Appropriations: Transfer to statutory reserve	37,500,000	33,545,177

DIVIDEND

The Directors are pleased to recommend a cash dividend of 45% for the year ended June 30, 2016 (2015: 45%).

OVERVIEW OF THE ECONOMY

Pakistan's economy continues to grow for the 3rd year in a row with GDP growth rate of 4.7% 2016 as compared to 4.2% last year. Steady growth was achieved despite a major setback in agriculture on account of massive decline in cotton production. This loss was compensated by remarkable growth in industrial and services sector as both these sectors crossed their targeted growth.

The signing of US\$ 46 billion investment and financing agreement under the China Pakistan Economic Corridor (CPEC) was a major achievement in the year. CPEC will focus on the issue of energy shortfall and building infrastructure. These investments will result in overall increase in production and economic growth.

Low oil prices and higher remittances from Pakistanis working abroad led to improvement in foreign exchange reserves that crossed an all-time high of US\$ 21 billion. Steady decline in oil prices has also helped in keeping inflation in check enabling the State Bank of Pakistan to steadily reduce its policy discount rate to facilitate commerce and industry.

Pakistan's inclusion in the emerging Morgan Stanley Composite Index after eight years has boosted the Pakistan Stock Exchange and the PSE Index recently crossed 40,000 points which is its best ever performance reflecting Investors' confidence. The overall sentiment has become positive due to improved security situation and improved energy supply. Rating upgrade by Moody's to B from Caa1 and outlook upgrade by S&P renewed positive sentiment in the economy.

DIRECTORS'

R E P O R T

Availability of power and gas has also improved due to focus on increasing electricity production and import of RLNG due to which energy availability to industry has shown improvement. The power sector showed a 12% growth in 2016.

Exports however showed a decline of 19% over last year due to slowdown in demand of textile products in the international market and depressed commodity prices. Shortfall in cotton crop by 5 million bales will hamper recovery of textile sector. Exports are likely to remain depressed due to uncertain economic conditions in the developed world.

BUSINESS REVIEW

During the year, the Company focused on strengthening its core business activity of finance leasing. This includes leasing of machinery, passenger and commercial vehicles to small and medium size companies, partnerships and sole proprietors together with passenger cars for individuals.

Over all, disbursements increased by 8.5% to Rs. 14,551 million from Rs. 13,407 million last year. Emphasis on maintaining portfolio quality while achieving steady growth continues. In terms of asset type, Commercial vehicles and saloon cars accounted for 80% of disbursements followed by plant and machinery at 20%. The Company has developed a specialized niche in the Transport sector and Goods transport accounts for 17.6% of OLP's lease portfolio. This is followed by vehicle leases / loans to individuals at 16.9%.

Operating lease business has slowed due to reduced demand for short term rental of generators as a consequence of gas shortages in the Country's Northern region. In addition, the Company's e-business division, earlier reported under operating lease, was sold during the year as part of OLP's strategy to concentrate on its core business activity.

The Company's micro finance division continues to perform well and OLP intends to expand its operation by opening new branches to increase outreach and tap the potential of new areas. Disbursements for the year increased by 8.3% to Rs. 705 million from Rs. 651 million last year. During the year 21,884 customers benefitted from micro loans provided by the Company.

OLP had previously impaired its investment in SK Leasing JSC in view of uncertainty on repatriation of

capital / investment. However, in the current year, the Company identified a buyer and entered into a sale purchase agreement to sell its investment in SK Leasing. As a consequence, in the current year, OLP reversed the impairment / provision of Rs. 40.5 million made on account of SK Leasing in earlier years. Subsequent to the year end, OLP received sale proceeds of Rs. 46.3 million.

During the year, OLP acquired Standard Chartered Leasing Limited (SCLL). The scheme of amalgamation was approved by OLP's shareholders in their Extra Ordinary General Meeting held on March 15, 2016. Subsequently, the Securities and Exchange Commission of Pakistan (SECP) approved the scheme of amalgamation of SCLL with and into OLP effective May 27, 2016 on which date the entire undertakings of SCLL were amalgamated, transferred, vested and belonged to OLP. The Company paid Rs. 747.64 million to acquire SCLL. In addition, minority shareholders of SCLL who opted for OLP's shares at a swap ratio of 1 share in OLP for 6.42 shares in SCLL were issued 29,864 shares in OLP. Current year's financial statements include assets and liabilities of SCLL taken over by OLP.

The Company has also acquired Standard Chartered Bank Pakistan Limited's (SCBPL's) 10% equity holding in Standard Chartered Modaraba (SCM) and SCBPL's 100% shareholding in Standard Chartered Services of Pakistan Private Limited (SCS) which also holds 10% of SCM's equity and has management control over SCM. As a result of these acquisitions, SCS and SCM are now subsidiaries of OLP and SCS has been renamed as ORIX Services Pakistan (Private) Limited. SCM has also been renamed as ORIX Modaraba. Investment details are given in note 8 to the financial statements.

ORIX Modaraba has a successful track record of thirty years and its experienced senior management ensures that the Modaraba operates on a prudent and conservative basis. The acquisition of the Modaraba will give OLP a stake in the Islamic finance market.

FINANCIAL PERFORMANCE:

In fiscal 2016, OLP continued its steady growth and achieved its highest ever profit after tax of Rs. 742.2 million which translates to earnings per share of Rs. 9.04 (2015: Rs. 8.18). Current year's profit is 10.6 % higher than Rs. 670.9 million earned last year.

REVENUES

Total revenues at Rs. 4.10 billion were 3.27% higher than Rs. 3.97 billion earned last year.

Finance Lease remains the mainstay of the Company's business, contributing 56.67% (2015: 56.92%) of total revenues. Revenue from finance lease at Rs. 2.32 billion (2015: Rs. 2.26 billion) was 2.65% higher than last year whereas the lease portfolio increased by 26.4% to Rs. 26.3 billion (June 2015: Rs. 20.8 billion). Current years lease portfolio includes Rs. 2.3 billion on account of leases taken over from SCLL against which income has only been accrued since SCLL was merged with OLP on May 27, 2016. Further, lease income for the year reflects significant reduction in leases rates due to fall in interest rates in the Country together with enhanced market competition.

Revenue from Operating lease at Rs. 534.4 million (2015: Rs. 664.0 million) was 19.5% lower than last year. As mentioned earlier in this report, revenue was lower mainly due to reduced demand for generators on short term rental due to gas shortage in the Country's Northern region.

Mark up income on vehicle finance/loans and Micro Finance was 9.8% higher at Rs. 506.88 million compared to Rs. 461.74 million in the previous year. Higher disbursements were instrumental in achieving good revenue growth in a falling interest rate scenario.

Other income at Rs. 501.6 million (June 2015: Rs. 310.7 million) was 61.4% higher than last year. This included a onetime gain of Rs. 235.8 million as negative goodwill on merger of Standard Chartered Leasing Limited with and into OLP.

The Company's share in profit of associated companies was 14.9% lower at Rs. 234.2 million (June 2015: Rs. 275.1 million). OLP's share in Oman ORIX's profit increased by 7.2% to Rs. 167.4 million. However, ORIX Leasing Egypt and Saudi ORIX reported lower profits and OLP's share in these companies profits was respectively lower by 18.5% and 28.9%. The Company's share in profit/loss of Al Hail ORIX, UAE, was a loss of Rs. 4.8 million compared to a profit of Rs. 23.6 million last year. Overseas associates in the Middle East are facing difficult economic conditions due to the sharp decline in oil prices over the past two years.

EXPENSES

Expenses, excluding provisions against potential lease and other losses, at Rs. 2,918.3 million (June 2015: Rs. 3,003.2 million) were 2.8 % lower than last year.

Finance cost was 3.55% lower at Rs. 1,666.4 million (June 2015: Rs. 1,727.7 million) on a borrowing portfolio of Rs. 20.79 billion (June 2015: Rs. 16.31 billion). The borrowing portfolio includes Rs. 1.6 billion of borrowings related to SCLL on which finance cost has been included since merger on May 27, 2016. Reduction in finance cost was mainly due to decrease in interest rates in the Country.

Administrative and general expenses were 9.1% higher at Rs. 856.5 million (June 2015: Rs. 785.0 million). This was mainly due to increase in salaries and allowances as a consequence of revision in staff salaries. The Company has revised its staff compensation structure in view of a rising trend of poaching of OLP's skilled staff.

Direct costs of leases which mainly represents maintenance, insurance and depreciation on operating lease was 19.4% lower at Rs. 395.4 million compared to Rs. 490.6 million last year. The reduction was in line with reduced operating leases revenues.

During the year Rs. 215.1 million (June 2015: Rs. 161.7 million) was provided against potential lease, loan and other losses. This included a conservative provision of Rs. 170.5 million on SCLL's lease portfolio.

As disclosed in note 51.2 to the unconsolidated financial statements, OLP's overall provisioning covers 100% of all accounts which are overdue by more than 90 days or are classified as watch list clients without accounting for forced sales values.

DISCONTINUED OPERATIONS – e-BUSINESS

As mention earlier in this report, the Company has sold its e-business segment. This resulted in a loss after taxation from discontinued operation of Rs. 13.0 million (June 2015: profit of Rs. 43.0 million). This business was not aligned to the Company's strategic objective of concentrating on its core leasing business. The technology available with the Company was obsolete and future revenues were expected to decline in the absence of significant additional investment. Details are provided in note 45 to the unconsolidated financial statements.

DIRECTORS'

R E P O R T

RISK MANAGEMENT

Risk is inherent in all spheres of OLP's activities. It's Management and Control is an ongoing process. The process envisages identification, measurement and monitoring of various Business and Financial Risks. The Board of Directors is responsible for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies. It is supervised on an ongoing basis through Board oversight, Audit Committee, Asset and Liability Committee and various Management Committees.

To further increase the focus on Risk Management, Risk Management Department has been strengthened by merging Credit Risk and Other Risk Management functions with the objective of developing a comprehensive enterprise risk management control framework, identifying the Company's risk universe and reviewing policies and procedures to control and mitigate risks.

Major risks facing the Company are summarized below:

Credit Risk Management

Credit risk refers to the failure of the Lessees/borrowers/ counterparties to fulfill their financial obligations as and when they fall due. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept against individual counterparties, industry concentrations and type of assets, and by monitoring exposures in relation to such limits.

The Board of Directors has established Credit Approval Authority Limits which includes delegation of approval limits to the Company's Credit Committee and senior executives based on their seniority and experience. Rigorous credit approval process is followed at all levels, and high standards of due diligence and credit screening are maintained to ensure quality of asset portfolio.

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

With its focus on small and medium sized business the Company's credit risk is diversified over a large number of clients. No single party exposure represents more than 5% of the Company's Equity, while exposure to single business sector does not exceed 25%.

Liquidity Risk Management

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due or is unable to access sufficient funding to meet financial commitments. Liquidity risk is managed by diversifying funding sources, establishing committed credit lines from financial institutions and maintaining balance between long and short term lending and borrowings. A liquidity policy is in place to ensure that new lease disbursements are subject to the Company having sufficient funds to meet its quarterly debt repayment obligations.

Appropriate levels of liquid securities are also held for compliance with statutory requirements to ensure availability of surplus funds when required. As part of asset-liability management future cash flows are used to measure and monitor liquidity risk.

Market Risk Management

Market risk is the risk that the value of a market sensitive asset will fluctuate due to the movement in any market factor i.e. change in interest rates, currency pricing or exchange rates. In OLP, market risk has traditionally comprised of three types: interest rate risk, currency risk and other price risk.

The Company's exposure to interest rate risk relates primarily to the Company's debt obligations with variable interest rates and financial assets with variable interest rates. The Company limits this risk by monitoring changes in market interest rates and maintaining a suitable spread which provides a cushion against sharp fluctuations in rates. The Company also aims to substantially match the interest rate profile (fixed and variable) of lease/loan portfolio with its financial obligations and keeps the mismatch within acceptable limits.

The Company incurs currency risk on borrowing in foreign currency and investment in overseas associates that are entered in a currency other than Pakistan Rupees. As a policy, the Company carries no open currency risk on borrowings and uses cross currency

swaps to hedge its currency risk on its foreign currency borrowings.

Other price risk arises from the Company's investment in units of mutual funds and ordinary shares of listed companies. The Company no longer has investments in ordinary shares of listed companies or investments in mutual funds.

Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events, whether deliberate, accidental or natural. As our business has expanded in recent years, the importance of operational risk management has increased as a component of overall risk management.

When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. Operational risks can be minimized and reduced to an acceptable level through a Control framework and by monitoring and responding to potential risks. To reduce losses arising from operational risk, OLP is strengthening its Internal Audit, Risk Management and Compliance functions. Strong focus is maintained on operational risk areas for prevention of systems failure, improvement in internal controls to prevent fraud and forgery, improvement in IT security, defining responsibilities of individuals, enhancing security measures, improving efficiency and effectiveness of operations through automation, outsourcing and improving quality of human resources through trainings and development.

INTERNAL CONTROL AND COMPLIANCE

OLP's Board of Directors has approved policies and procedures which ensure that the Company has a sound system of internal controls in place. The Company's has a strong Internal Audit department which reports directly to the Audit Committee of the Board. This department carries out extensive audits not only to ensure that policies and procedures are being followed but also to identify risk areas for which tighter internal controls are desirable. In addition, inter departmental audits, post disbursement credit audits and compliance reviews are carried out to ensure compliance with relevant rules and regulations.

FUNDING AND LIQUIDITY

The Company has built a sound financial base by matching its long term leasing / lending with long term funding and has adequate funding in place to meet its future business requirements. OLP has diverse funding sources which ensure that the Company's funding needs are easily managed. Main funding sources include borrowings from financial institutions and direct deposits through issue of certificates of deposit. As at June 30, 2016 the Company had borrowed Rs. 11.0 billion from 19 financial institutions. The certificates of deposit portfolio showed an increase of 40% from Rs. 6.9 billion in 2015 to Rs. 9.7 billion in 2016. The percentage of funds raised from financial institutions and retail deposits is actively monitored to maintain an optimal funding structure.

The Company has been working closely with financial institutions to reduce spreads on both short term and long terms loans to improve the cost of funding. Additionally, several rate reductions have been carried out on the Certificate of Deposit portfolio in line with the falling interest rate trend in the Country. This will result in further saving in finance cost.

CORPORATE GOVERNANCE

OLP is committed to maintaining high standards of good corporate governance by maintaining an established control framework comprising clear structures, authority limits and accountabilities. Emphasis is on transparency and ensuring that policies and procedures are well understood throughout the Company. The Company takes pride in compliance with the legislative systems in which the Company operates, including Companies Ordinance 1984, Non-Banking Finance Companies and Notified Entities Regulations 2008, Listing Regulations of Pakistan Stock Exchange and the Memorandum and Articles of Association of the Company.

To ensure transparency, fairness and accountability, the Board has appointed an independent Director as Chairman of the Board and the Chairman of the Audit Committee of the Board is also an independent Director. The Company's Management Committee comprises of senior executives who, under the guidance of the Board, are responsible for setting the Company's strategic direction and business planning.

DIRECTORS'

R E P O R T

CORPORATE SOCIAL RESPONSIBILITY

OLP's commitment towards the community is deeply rooted in the Company's purpose to contribute in environmental and social wellbeing. As a socially responsible Company, OLP has been partnering with multiple organizations for philanthropy. The Company has supported various initiatives aimed at the welfare and betterment of the underprivileged as well as physically disabled members of the society. Specific areas which benefited from the Company's support include Education, Health and Poverty Alleviation.

The Company's Micro finance program has been instrumental in improving the lives of thousands of low income individuals with special emphasis on women entrepreneurs. OLP currently has over twenty-two thousand micro finance clients who are being serviced through a network of 10 branches. The Company intends to expand this program by opening new branches in the coming year.

PEOPLE

OLP's strongest asset is its team of talented, skilled and highly dedicated staff members. We seek to create a culture in which all employees take ownership of work and utilize their talent and experience. The Company arranges a variety of training and orientation programs for its staff members and employees are encouraged to actively participate in these activities to improve their professional abilities.

The Board acknowledges the hard work and dedication of all staff members which has been instrumental in the steady growth of the Company's business.

BUSINESS ETHICS

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

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

AWARDS AND RECOGNITION

OLP's strong performance and professional management has been acknowledged by a number of institutions in the form of awards given to the Company. Recent awards received by the Company are.

- MAP 31st Corporate Excellence Award 2015 in the Financial Services category by Management Association of Pakistan in a ceremony held in Karachi on 24th February, 2016.
- Best Performance Award 2015 by NBF and Modaraba Association of Pakistan. OLP received the best NBF Award for 2015 in a ceremony held in Karachi on March 17, 2016.
- 4th FPCCI Achievement Award 2015 in the Financial Services category by Federation of Pakistan Chamber of Commerce and Industry in a ceremony held at Presidency, Islamabad on 3rd May, 2016.

FUTURE OUTLOOK

Steady growth in macroeconomic indicators and improved law and order conditions are positive factors which have strengthened business confidence. In view of improved economic conditions, the Company expects steady growth in demand for leasing in the Country. However, a number of banks are entering the Company's traditional markets and OLP expects to face strong competition from banks in the coming year. The Company is reviewing its business model and improving systems to meet the challenge of enhanced competition.

DIRECTOR'S DECLARATION

1. The financial statements prepared by the management of ORIX Leasing Pakistan Limited present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
2. Proper books of accounts of the Company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Accounting Standards as applicable in Pakistan have been followed in preparation of financial statements and any departure has been adequately disclosed.

5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Company's ability to continue as a going concern.
7. Details of significant deviations in the Company's operating results during the year ended June 30, 2016 are stated in the Directors' Report.
8. Key operating and financial data for the last six years in summarized form is given at page No. 70
9. The value of investments of the recognised provident fund as at June 30, 2016 was Rs. 352.2 million (un-audited) and as at June 30, 2015 was Rs. 376.5 million (audited). The value of investments of the Company's recognised gratuity fund as at June 30, 2016 was Rs. 155.2 million (un-audited) and as at June 30, 2015 was Rs. 160.2 million (audited).
- 10 During the year, the following trades in shares of the Company were carried out by a Director and an Executive:

Name	Designation	Nature of Transaction	Number of Shares
Ms. Nargis Ghaloo	Non - Executive Director	Purchase of Shares	1,500
Mr. Asad Ali Sheikh	Head of Compliance	Sale of Shares	10,000

11. A Director acquired certification of Director Education awarded by the Pakistan Institute of Corporate Governance. At the close of the financial year, 4 out of 8 Directors have certification under Directors Training Program that meet the requirements of the Code of Corporate Governance.
12. During the year, six meetings of the Board of Directors, six meetings of the Audit Committee and two meetings of Human Resource and Remuneration Committee were held. The Directors, who were unable to attend the meetings, constantly followed the progress of the Company and proceedings of the Board.

BOARD OF DIRECTOR'S MEETING

Name of Director	Meetings Attended	Name of Director	Meetings Attended
Mr. Teizoon Kisat ^[1]	4	Mr. Khalid Aziz Mirza ^[7]	-
Mr. Shaheen Amin ^[2]	6	Mr. Kazuhito Inoue ^[8] (Non Resident)	6
Mr. Hiroshi Nishio ^[3] (Non Resident)	1	Ms. Nargis Ghaloo ^[10]	4
Mr. Humayun Murad ^[4] (Non Resident)	4	Mr. Harukazu Yamaguchi (Non Resident)	-
Mr. Takehisa Kaneda ^[5] (Non Resident)	1	Mr. Shahid Usman	6
Mr. Kunwar Idris ^[6]	5	Mr. Hideaki Yokoyama ^[9] (Non Resident)	-

[1] Retired as CEO on January 31, 2016 and resigned as Director on February 22, 2016.

[2] Appointed as CEO on February 01, 2016.

[3] Appointed as Director on February 22, 2016.

[4] Resigned as Director on March 16, 2016.

[5] Appointed as Director on March 16, 2016.

[6] Retired as Director on May 13, 2016.

[7] Appointed as Director on June 15, 2016.

[8] Resigned as Director on August 08, 2016.

[9] Appointed as Director on August 08, 2016.

[10] Resigned as Director on September 29, 2016.

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

DIRECTORS'

R E P O R T

AUDIT COMMITTEE MEETINGS

Name of Director	Meetings Attended	Name of Director	Meetings Attended
Mr. Shahid Usman	6	Mr. Shaheen Amin ^[1]	4
Mr. Kazuhito Inoue ^[2] (Non Resident)	6	Mr. Takehisa Kaneda ^[3] (Non Resident)	-
Mr. Harukazu Yamaguchi ^[4] (Non Resident)	-	Mr. Hideaki Yokoyama ^[5] (Non Resident)	-

[1] Resigned as a Member on February 22, 2016.

[2] Resigned as Member on August 8, 2016.

[3] Appointed as Member on August 15, 2016.

[4] Resigned as Member on August 29, 2016.

[5] Appointed as Member on August 29, 2016.

HUMAN RESOURCE AND REMUNERATION COMMITTEE MEETINGS

Name of Director	Meetings Attended	Name of Director	Meetings Attended
Mr. Teizoon Kisat ^[1]	1	Mr. Shaheen Amin	2
Ms. Nargis Ghaloo ^[2]	1	Mr. Kazuhito Inoue ^[3] (Non Resident)	2
Mr. Harukazu Yamaguchi ^[4] (Non Resident)	0	Mr. Hiroshi Nishio ^[5] (Non Resident)	1
Mr. Hideaki Yokoyama ^[6] (Non Resident)	0		

[1] Resigned as Member on January 31, 2016.

[2] Appointed as Member on February 22, 2016, and resigned on September 29, 2016.

[3] Resigned as Member on August 8, 2016.

[4] Resigned as Member on August 29, 2016.

[5] Appointed as Member on August 29, 2016.

[6] Appointed as Member on August 29, 2016.

BOARD CHANGES

- Mr. Teizoon Kisat retired as Chief Executive Officer on January 31, 2016 and Mr. Shaheen Amin was appointed as Chief Executive Officer with effect from February 01, 2016.
- Mr. Teizoon Kisat resigned as Director and Mr. Hiroshi Nishio was appointed as Director on February 22, 2016.
- Mr. Humayun Murad resigned as Director and Mr. Takehisa Kaneda was appointed as Director on March 16, 2016.
- Mr. Kunwar Idris resigned as Director on May 13, 2016 and Mr. Khalid Aziz Mirza was appointed as Director on June 15, 2016.
- On September 29, 2016 Ms. Nargis Ghaloo resigned as Director Mr. Shoaib Mir has been appointed as a director to fill in the casual vacancy. Mr. Mir's appointment is subject to approval of the Securities and exchange commission of Pakistan.

- Mr. Kazuhito Inoue, resigned as Director and Mr. Hideaki Yokoyama was appointed as Director on August 08, 2016.

The Board of Directors places on record its appreciation for services rendered by Mr. Kisat, Mr. Murad, Mr. Idris, Mr. Inoue and Ms. Ghaloo. Further, the Board welcomes Mr. Amin as CEO and Mr. Nishio, Mr. Kaneda, Mr. Mirza and Mr. Yokoyama as Directors on the Board.

CREDIT RATING

On January 14, 2016 the Pakistan Credit Rating Agency Limited (PACRA) maintained the Company's long term rating of AA+ (Double A plus) and short term rating of A1plus (A One plus). These are among the highest ratings in the Non-Banking Financial Sector. As per PACRA standards, these ratings denote the lowest expectation of credit risk emanating from a strong capacity for timely repayment of financial commitments.

PARENT COMPANY

ORIX Corporation, Japan and its nominees hold 49.57% of the Company's equity.

AUDITORS

M/s. A.F. Ferguson & Co., Chartered Accountants were appointed as auditors for the year ended June 30, 2016. The Board of Directors endorses the recommendation of the Audit Committee for appointment of M/s. A. F. Ferguson & Co., Chartered Accountants, as auditors of the Company for the year ending 30, June, 2017.

PATTERN OF SHAREHOLDING

The pattern of shareholding as at June 30, 2016 is attached at page no. 217.

REMUNERATION OF CHIEF EXECUTIVE OFFICER

The Board of Directors in their meeting held on February 22, 2016 has approved an annual salary of Rs. 26.2 million for the Chief Executive Officer with effect from February 1, 2016. In addition, the Chief Executive Officer will be entitled to performance bonus as may be determined from year to year by the Board and other perquisites and benefits as per Company Policy.

ACKNOWLEDGEMENT

The Board greatly appreciates the support and cooperation of the regulatory authorities, bankers, business partners and all stakeholders for their contribution to the Company's growth and looks forward to their support and advice in the future. The Board also thanks our valued customers and depositors for their continuing trust and support.

On behalf of the Board



Mr. Shaheen Amin
Chief Executive Officer
September 29, 2016

STATEMENT OF COMPLIANCE

with the code of Corporate Governance for the year ended June 30, 2016

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 35 of listing regulations of Pakistan Stock Exchange 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:

Category	Names
Independent Directors	1. Mr. Khalid Aziz Mirza 2. Mr. Shahid Usman
Non-Executive Directors	1. Mr. Hiroshi Nishio 2. Mr. Harukazu Yamaguchi 3. Ms. Nargis Ghaloo* 4. Mr. Hideaki Yokoyama 5. Mr. Takehisa Kaneda
Executive Director	1. Mr. Shaheen Amin

* Resigned on September 29, 2016.

The independent directors meet the criteria of independence under clause 5.19.1(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable), except one Director to whom relaxation has been granted by the Securities and Exchange Commission of Pakistan.
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 Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. During the year, following casual vacancies occurred on the board which were filled up by the directors within the time frame as required by CCG:

S. No	Date on which Casual Vacancy occurred	Date on which Casual Vacancy was filled
1	February 22, 2016	February 22, 2016
2	March 16, 2016	March 16, 2016
3	May 13, 2016	June 15, 2016
4	August 08, 2016	August 08, 2016

5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for

this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. A Director acquired certification of Director Education awarded by the Pakistan Institute of Corporate Governance.
10. The appointment, remuneration and terms and conditions of employment of the CFO, Company Secretary and the Head of Internal Audit are approved by the Board of Directors however there was no new appointment of CFO, Company Secretary and the Head of Internal Audit during the year.
11. The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
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 CCG.
15. The Board has formed an Audit Committee, it comprises of three members, of whom all are non-executive Directors and the Chairman of the Committee is an independent director.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
17. The Board has formed a Human Resource and Remuneration Committee. It comprises of four Members, of whom three are non-executive directors including the Chairman of the Committee.
18. The board has set up an effective internal audit function. The Head of Internal Audit reports directly to the Audit Committee.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partner are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of the company's securities, was determined and intimated to directors, employees and stock exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied with.

NOTICE OF ANNUAL GENERAL MEETING



Notice is hereby given that the Thirtieth Annual General Meeting of ORIX Leasing Pakistan Limited will be held on Saturday, October 29, 2016 at 3.00 p.m. at The Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements together with the Directors' and Auditors' Report for the year ended June 30, 2016.
2. To approve the payment of cash dividend to the shareholders at the rate of Rs. 4.5 per share of Rs. 10 each for the year ended June 30, 2016.
3. To appoint Auditors and fix their remuneration. The present Auditors, Messrs A. F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment.
4. To transact any other business, with permission of the Chair.

Karachi: September 29, 2016

BY ORDER OF THE BOARD

Effat Assad
Company Secretary

Notes:

1. The Register of Members of the Company shall remain closed from October 22, 2016 to October 29, 2016 (both days inclusive). Transfers received in order at our registrars, Messrs. THK Associates (Private) Limited, 2nd Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi at the close of business on October 21, 2016, will be treated in time for the purpose of attending the meeting and payment of dividend.
2. A Member entitled to attend and vote at the General Meeting of Members is entitled to appoint a proxy to attend and vote on his/her behalf. A proxy need not be a Member of the Company.



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

A. For attending the meeting:

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

B. For appointing proxies:

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

NOTICE OF ANNUAL GENERAL MEETING

Submission of copies of CNICs / NTN

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

CNIC numbers are mandatory for the issuance of future dividend warrants and in the absence of such information; the Company may withhold payment of dividend in term of SECP's order dated December 07, 2015.

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

Mandate for e-Dividend

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

Circulation of Notice of Meeting and Annual Accounts

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

Tax Implications on Dividend

Tax Rates for Filers/Non-Filers

8. Pursuant to the provisions of Finance Act, 2016 effective 1 July 2016, deduction of income tax from dividend payments shall be made on the basis of filers and non-filers as follows:

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

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

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

Taxation for Joint Shareholders

- The shareholders who have joint shareholdings held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his shareholding. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by first day of book closure.

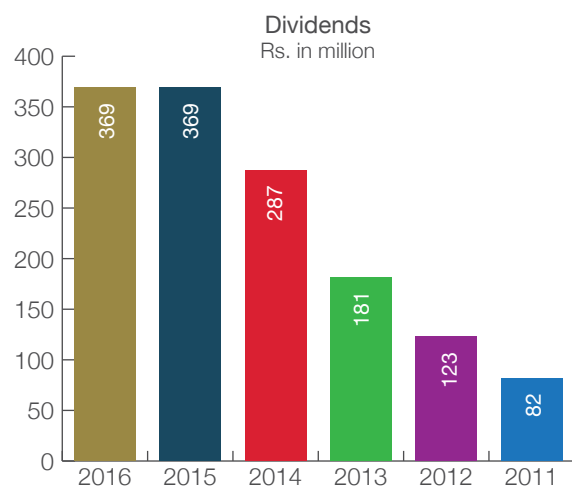
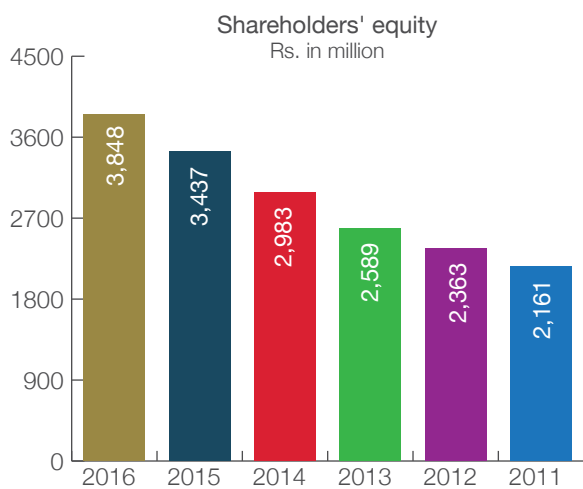
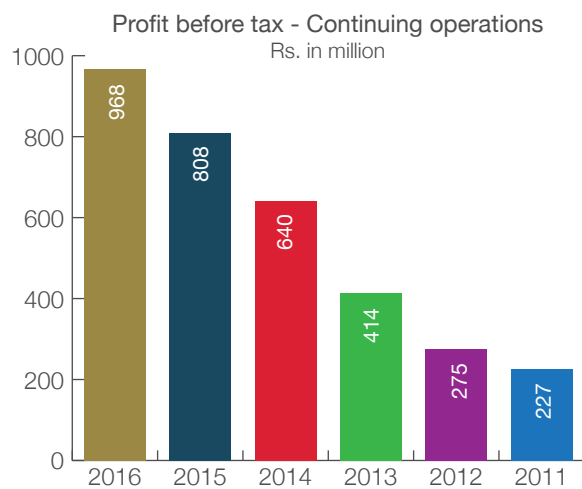
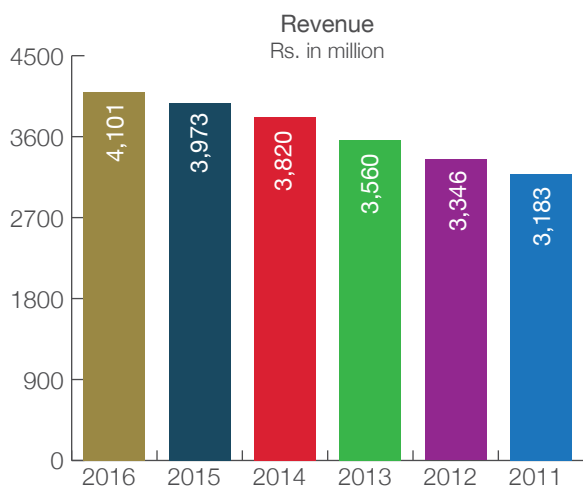
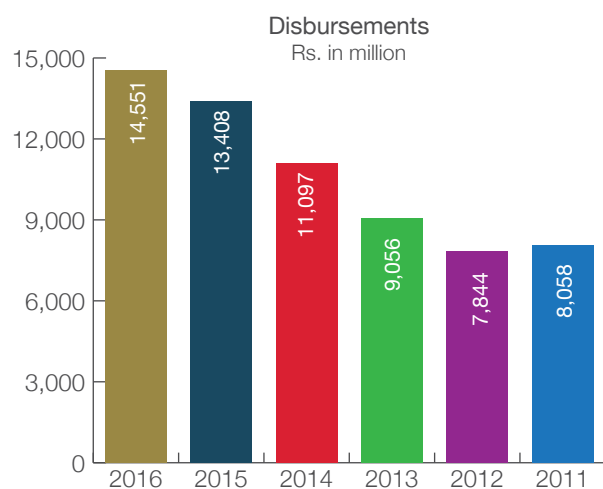
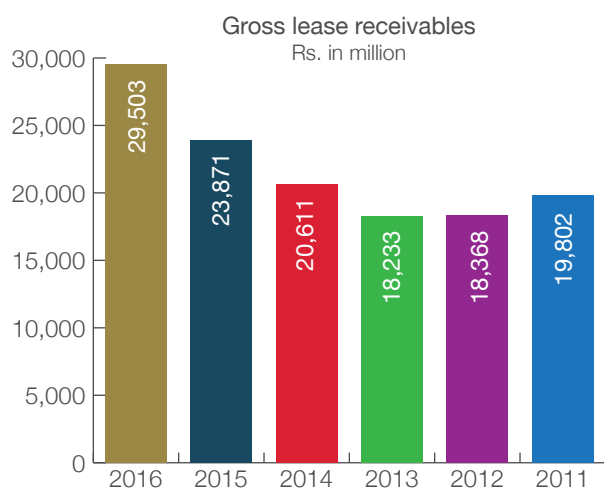
Folio/CDC Account No.	Name of Shareholders (principal/joint holders)	Shareholding Proportion	CNIC No	Signature
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Requirement of Valid Exemption Certificate

- As per FBR's Circular 1(43) DG (WHT)/2008 - Vol. II-66417-R dated May 12, 2015, a valid exemption certificate is mandatory to claim exemption regarding requirement of withholding tax U/S 150 of the Income Tax Ordinance, 2001, where the statutory exemption under Clause 47B of Part-IV of Second Schedule is available. The shareholders who fall in the category mentioned in above clause and want to avail exemption U/S 150 of the Ordinance, must provide valid Tax Exemption Certificate to our Share Registrar before book closure otherwise tax will be deducted on dividend as per applicable rates.

SIX YEARS' FINANCIAL SUMMARY

	2016	2015	2014	2013	2012	2011
Operating Results (Rupees in million)						
Total Disbursement	14,551	13,408	11,097	9,056	7,844	8,058
Revenues	4,101	3,973	3,820	3,560	3,346	3,183
Lease revenue	2,859	2,925	2,927	2,750	2,731	2,758
Financial charges	1,666	1,728	1,658	1,654	1,868	1,796
Provisions and Impairments	215	162	184	257	199	213
Profit before tax from continuing operations	968	808	640	414	275	227
Profit after tax from continuing operations	755	628	516	337	202	145
Profit / (Loss) after taxation from discontinued operations	(13)	43	-	-	-	-
Profit for the year	742	671	516	337	202	145
Proposed Dividend	369	369	287	181	123	82
Balance Sheet (Rupees in million)						
Gross lease receivables	29,503	23,871	20,611	18,233	18,368	19,802
Fixed assets	1,765	1,762	1,767	1,560	1,357	1,268
Investment in associated undertakings	2,266	2,176	1,701	1,711	1,567	1,283
Total Assets	35,313	28,318	24,449	23,127	22,028	21,802
Total Borrowing	20,785	16,280	13,940	13,807	13,178	12,957
Long term debts	12,022	9,825	7,074	8,578	6,484	6,563
Total Liabilities	31,142	24,769	21,385	20,456	19,580	19,555
Shareholders' equity	3,848	3,437	2,983	2,589	2,363	2,161
PERFORMANCE INDICATORS FOR THE CURRENT AND PAST FIVE YEARS						
Profitability						
Profit before tax over revenue	23.60%	20.34%	16.76%	11.63%	8.21%	7.10%
Gross spread	43.89%	40.27%	34.26%	30.94%	22.13%	22.55%
Return on assets	3.07	3.35	2.83%	1.95%	1.20%	0.80%
Income / expense ratio	1.41	1.32	1.28	1.23	1.17	1.16
Return on equity	20.38	20.90	18.53	13.65	8.13	6.93
Liquidity						
Current ratio	1.31	1.35	1.18	1.47	1.15	1.15
Cash to Current Liabilities	0.03	0.02	0.01	0.03	0.04	0.03
Investment / Market						
Price to book ratio	1.05	1.47	0.93	0.58	0.38	0.21
Dividend yield	9.10%	7.29%	10.31%	12.05%	13.80%	17.90%
Dividend payout	49.78%	55.03%	55.64%	53.63%	60.90%	56.70%
Earning per share (Rs.)	9.04	8.18	6.29	4.11	2.46	1.76
Price earning ratio	5.47	7.55	5.40	4.44	4.41	3.16
Market Value per Share (Rs.)	49.43	61.72	33.94	18.25	10.86	5.57
Proposed dividend	45.00%	45.00%	35.00%	22.00%	15.00%	10.00%
Capital Structure						
Debt / Equity ratio	5.4	4.74	4.67	5.34	5.6	4.64
Interest Cover ratio	1.71	1.59	1.50	1.41	1.20	1.25
Book Value per share (Rs.)	46.88	41.89	36.35	31.55	28.79	26.33



SIX YEARS' VERTICAL ANALYSIS

BALANCE SHEET	2016		2015		2014		2013		2012		2011	
	Rs. in million	%	Rs. in million	%	Rs. in million	%	Rs. in million	%	Rs. in million	%	Rs. in million	%
ASSETS												
Non-current assets												
Property, plant and equipment	1,765	5.00%	1,762	6.22%	1,767	7.23%	1,560	6.75%	1,357	6.16%	1,268	5.82%
Intangible assets	12	0.03%	9	0.03%	11	0.04%	34	0.15%	88	0.40%	79	0.36%
Net investment in finance leases	13,544	38.36%	11,356	40.10%	9,336	38.18%	8,079	34.93%	7,871	35.73%	9,110	41.78%
Investment in subsidiaries	324	0.92%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Investment in associated undertakings	2,266	6.42%	2,176	7.69%	1,701	6.96%	1,711	7.40%	1,568	7.12%	1,284	5.89%
Long term investments	74	0.21%	14	0.05%	14	0.06%	14	0.06%	18	0.08%	200	0.92%
Long term finances and loans	1,286	3.64%	879	3.10%	741	3.03%	844	3.65%	757	3.44%	284	1.30%
Long term deposits	11	0.03%	10	0.04%	10	0.04%	14	0.06%	14	0.06%	14	0.07%
	19,282	54.60%	16,206	57.23%	13,580	55.54%	12,255	52.99%	11,672	52.99%	12,238	56.13%
Current assets												
Short term finances	286	0.81%	407	1.44%	308	1.26%	243	1.05%	228	1.04%	244	1.12%
Accrued return on investments and term finances	98	0.28%	75	0.26%	68	0.28%	35	0.15%	16	0.07%	4	0.02%
Current maturity of non-current assets	13,750	38.94%	9,966	35.19%	8,910	36.44%	8,299	35.88%	8,378	38.03%	7,800	35.78%
Short term investments	1,219	3.45%	1,106	3.91%	1,088	4.45%	1,600	6.92%	738	3.35%	358	1.64%
Advances and prepayments	43	0.12%	47	0.17%	48	0.20%	52	0.22%	103	0.47%	67	0.31%
Other receivables	92	0.26%	75	0.26%	132	0.54%	313	1.35%	495	2.25%	800	3.67%
Cash and bank balances	333	0.94%	173	0.61%	100	0.41%	231	1.00%	336	1.53%	242	1.11%
Taxation - net	62	0.18%	171	0.60%	126	0.52%	87	0.38%	49	0.22%	33	0.15%
Assets classified as held for sale	147	0.42%	91	0.32%	89	0.36%	13	0.06%	13	0.06%	15	0.07%
	16,031	45.40%	12,111	42.77%	10,869	44.46%	10,872	47.01%	10,356	47.01%	9,564	43.87%
Total assets	35,313	100.00%	28,318	100.00%	24,449	100.00%	23,127	100.00%	22,028	100.00%	21,802	100.00%
EQUITY AND LIABILITIES												
Share capital and reserves												
Share capital and reserves	3,848	10.90%	3,437	12.14%	2,983	12.20%	2,589	11.19%	2,363	10.73%	2,160	9.91%
Surplus on revaluation of leasehold land and office building	323	0.91%	112	0.40%	81	0.33%	83	0.36%	85	0.39%	87	0.40%
Non-current liabilities												
Long term finances	6,148	17.41%	4,708	16.62%	3,147	12.87%	3,323	14.37%	2,274	10.32%	3,165	14.52%
Long term loans	-	0.00%	-	0.00%	280	1.15%	914	3.95%	1,938	8.80%	2,173	9.96%
Long term certificates of deposit	5,874	16.63%	5,117	18.07%	3,647	14.92%	4,341	18.77%	2,273	10.32%	1,226	5.62%
Long term deposits	6,128	17.35%	5,239	18.50%	4,484	18.34%	3,824	16.53%	3,586	16.28%	4,308	19.76%
Deferred taxation	476	1.35%	454	1.60%	395	1.62%	353	1.53%	284	1.29%	222	1.02%
Other long term liabilities	259	0.73%	268	0.95%	248	1.01%	296	1.28%	218	0.99%	162	0.74%
Post-employment benefits	1	0.00%	1	0.00%	4	0.02%	29	0.13%	19	0.09%	-	0.00%
	18,887	53.49%	15,786	55.75%	12,205	49.92%	13,080	56.56%	10,591	48.08%	11,256	51.63%
Current liabilities												
Trade and other payables	811	2.30%	641	2.26%	480	1.96%	411	1.78%	317	1.44%	255	1.17%
Accrued interest on loans, term finances and CODs	396	1.12%	319	1.13%	454	1.86%	297	1.28%	325	1.48%	447	2.05%
Short term borrowings	1,909	5.41%	884	3.12%	695	2.84%	936	4.05%	947	4.30%	1,109	5.09%
Short term certificates of deposit	2,073	5.87%	944	3.33%	1,019	4.17%	1,070	4.63%	957	4.34%	738	3.38%
Current maturity of non-current liabilities	7,067	20.01%	6,194	21.87%	6,532	26.72%	4,662	20.16%	6,444	29.25%	5,751	26.38%
	12,255	34.70%	8,983	31.7%	9,179	37.55%	7,376	31.89%	8,989	40.81%	8,299	38.06%
Total equity and liabilities	35,313	100.00%	28,318	100.00%	24,449	100.00%	23,127	100.00%	22,028	100.00%	21,802	100.00%
PROFIT AND LOSS												
INCOME												
Income from operations												
Finance lease	2,324	56.67%	2,261	56.92%	1,974	51.69%	1,900	53.37%	2,013	60.11%	2,110	66.13%
Operating lease	534	13.03%	664	16.71%	953	24.94%	850	23.88%	717	21.41%	649	20.34%
Mark-up on term / factoring finance	507	12.36%	462	11.62%	446	11.66%	396	11.13%	234	6.98%	139	4.35%
	3,366	82.06%	3,387	85.25%	3,373	88.29%	3,146	88.38%	2,964	88.51%	2,897	90.82%
Income from other operating activities												
Other income - net	502	12.23%	311	7.82%	224	5.87%	249	6.98%	261	7.80%	189	5.92%
Share of profit of equity accounted undertakings	234	5.71%	275	6.93%	223	5.84%	165	4.64%	124	3.69%	104	3.26%
	736	17.94%	586	14.75%	447	11.71%	414	11.62%	385	11.49%	293	9.18%
	4,101	100.00%	3,973	100.00%	3,820	100.00%	3,560	100.00%	3,349	100%	3,190	100%
EXPENSES												
Finance costs	1,666	40.63%	1,728	43.49%	1,658	43.41%	1,654	46.46%	1,868	55.77%	1,796	56.29%
Administrative and general expenses	857	20.88%	785	19.76%	755	19.77%	730	20.51%	585	17.48%	549	17.20%
Direct cost of leases	395	9.64%	491	12.35%	582	15.24%	504	14.17%	419	12.52%	400	12.53%
	2,918	71.15%	3,003	75.59%	2,996	78.43%	2,889	81.14%	2,873	85.77%	2,744	86.01%
Profit before Provisions, & Taxes	1,183	28.85%	970	24.41%	824	21.57%	672	18.86%	477	14.23%	446	13.99%
Provisions and impairment												
Allowance for potential lease and loan losses	255	6.21%	122	3.06%	137	3.58%	208	5.83%	188	5.62%	205	6.43%
Other provisions / (Reversals) - net	(40)	-0.97%	40	1.01%	47	1.23%	49	1.39%	10	0.31%	8	0.24%
Impairment on available for sale securities		0.00%	-	0.00%	-	0.00%	-	0.00%	3	0.09%	7	0.22%
	215	5.24%	162	4.07%	184	4.81%	257	7.22%	202	6.03%	220	6.89%
Profit / (loss) before tax from continuing operations	968	23.60%	808	20.34%	640	16.76%	414	11.64%	275	8.21%	227	7.10%
Taxation	213	5.19%	180	4.54%	124	3.25%	77	2.15%	73	2.18%	82	2.57%
Profit from continuing operation	755	18.41%	628	15.80%	516	13.51%	338	9.49%	202	6.03%	145	4.54%
DISCONTINUED OPERATIONS												
(Loss) / profit after taxation from discontinued operations	(13)	-0.32%	43	1.08%	0	0%	0	0%	0	0%	0	0%
Profit for the year	742	18.10%	671	16.89%	516	13.51%	338	9.49%	202	6.03%	145	4.54%

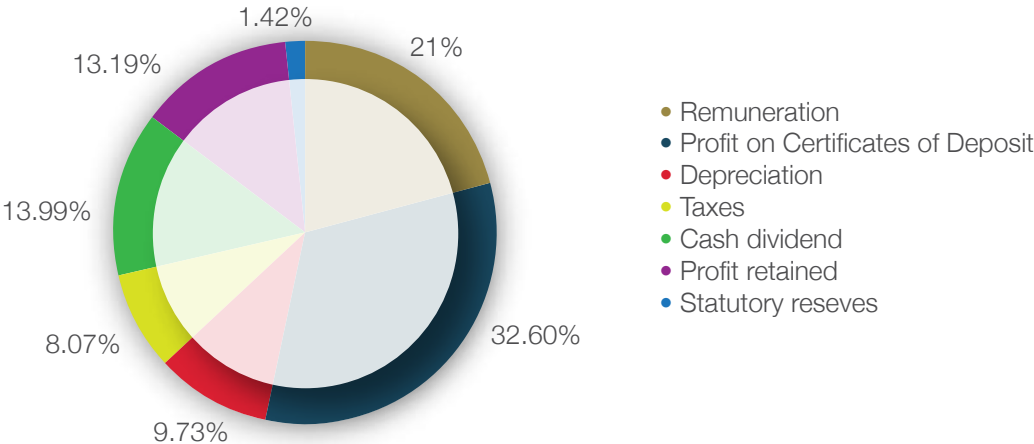
SIX YEARS' HORIZONTAL ANALYSIS

BALANCE SHEET	16 vs 15		15 vs 14		14 vs 13		13 vs 12		12 vs 11		11 vs 10	
	2016	%	2015	%	2014	%	2013	%	2012	%	2011	%
ASSETS												
Non-current assets												
Property, plant and equipment	1,765	0.20%	1,762	-0.28%	1,767	13.25%	1,560	14.96%	1,357	6.99%	1,268	16.24%
Intangible assets	12	35.85%	9	-20.77%	11	-67.66%	34	-61.59%	88	10.93%	79	22.10%
Net investment in finance leases	13,544	19.27%	11,356	21.64%	9,336	15.56%	8,079	2.64%	7,871	-13.60%	9,110	-0.23%
Investment in subsidiaries	324	100.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Investment in associated undertakings	2,266	4.13%	2,176	27.93%	1,701	-0.56%	1,711	9.10%	1,568	22.14%	1,284	5.16%
Long term investments	74	410.81%	14	3.58%	14	1.61%	14	-22.40%	18	-91.16%	200	-2.66%
Long term finances and loans	1,286	46.25%	879	18.63%	741	-12.16%	844	11.45%	757	166.76%	284	46.29%
Long term deposits	11	13.06%	10	-0.99%	10	-29.37%	14	4.38%	14	-2.90%	14	12.40%
	19,282	18.98%	16,206	19.34%	13,580	10.81%	12,255	4.99%	11,672	-4.63%	12,238	2.68%
Current assets												
Short term finances	286	-29.88%	407	32.40%	308	26.37%	243	6.59%	228	-6.38%	244	-23.81%
Accrued return on investments and term finances	98	31.01%	75	9.87%	68	95.07%	35	124.68%	16	287.80%	4	-72.67%
Current maturity of non-current assets	13,750	37.97%	9,966	11.86%	8,910	7.37%	8,299	-0.94%	8,378	7.41%	7,800	-13.44%
Short term investments	1,219	10.22%	1,106	1.66%	1,088	-31.98%	1,600	116.85%	738	105.89%	358	-70.55%
Advances and prepayments	43	-8.43%	47	-1.62%	48	-8.09%	52	-49.60%	103	54.15%	67	2.03%
Other receivables	92	23.69%	75	-43.52%	132	-57.90%	313	-36.70%	495	-38.12%	800	-25.39%
Cash and bank balances	333	92.45%	173	72.45%	100	-56.43%	231	-31.44%	336	38.84%	242	85.05%
Taxation - net	62	-63.67%	171	35.39%	126	45.42%	87	76.80%	49	48.35%	33	611.49%
Assets classified as held for sale	147	61.53%	91	2.59%	89	582.78%	13	-0.47%	13	-15.32%	15	-37.07%
	16,031	32.37%	12,111	11.43%	10,869	-0.03%	10,872	4.99%	10,356	8.28%	9,564	-19.36%
Total assets	35,313	24.70%	28,318	15.82%	24,449	5.71%	23,127	4.99%	22,028	1.04%	21,802	-8.31%
EQUITY AND LIABILITIES												
Share capital and reserves												
Share capital and reserves	3,848	11.95%	3,437	15.23%	2,983	15.23%	2,589	9.57%	2,363	9.35%	2,161	7.16%
Surplus on revaluation of leasehold land and office building	323	188.38%	112	38.10%	81	-2.37%	83	-2.31%	85	-2.26%	87	100.00%
Non-current liabilities												
Long term finances	6,148	30.60%	4,708	49.61%	3,147	-5.30%	3,323	46.15%	2,274	-28.17%	3,165	-30.33%
Long term loans	-	0.00%	-	-100.00%	280	-69.33%	914	-52.85%	1,938	-10.79%	2,173	-31.81%
Long term certificates of deposit	5,874	14.80%	5,117	40.29%	3,647	-15.99%	4,341	91.04%	2,273	85.39%	1,226	11.67%
Long term deposits	6,128	16.98%	5,239	16.82%	4,484	17.27%	3,824	6.64%	3,586	-16.77%	4,308	7.27%
Deferred taxation	476	5.01%	454	14.82%	395	12.00%	353	24.10%	284	28.14%	222	84.87%
Other long term liabilities	259	-3.45%	268	8.34%	248	-16.34%	296	35.88%	218	34.14%	162	18.57%
Post-employment benefits	1	72.31%	1	-78.33%	4	-86.52%	29	53.15%	19	100.00%	-	0.00%
	18,887	19.65%	15,786	29.34%	12,205	-6.69%	13,080	23.50%	10,591	-5.91%	11,256	-14.08%
Current liabilities												
Trade and other payables	811	26.43%	641	33.51%	480	16.97%	411	29.47%	317	24.57%	255	-0.20%
Accrued interest on loans, term finances and CODs	396	24.16%	319	-29.70%	454	52.82%	297	-8.65%	325	-27.23%	447	-22.95%
Short term borrowings	1,909	115.87%	884	27.30%	695	-25.78%	936	-1.14%	947	-14.61%	1,109	78.04%
Short term certificates of deposit	2,073	119.52%	944	-7.35%	1,019	-4.76%	1,070	11.85%	957	29.68%	738	-2.36%
Current maturity of non-current liabilities	7,067	14.09%	6,194	-5.17%	6,532	40.10%	4,662	-27.65%	6,444	12.05%	5,751	-10.83%
	12,255	36.43%	8,983	-2.15%	9,179	24.46%	7,376	-17.95%	8,989	8.32%	8,299	-4.20%
Total equity and liabilities	35,313	24.70%	28,318	15.82%	24,449	5.71%	23,127	4.99%	22,028	1.04%	21,802	-8.31%
PROFIT AND LOSS												
INCOME												
Income from operations												
Finance lease	2,324	2.79%	2,261	14.53%	1,974	3.91%	1,900	-5.62%	2,013	-4.56%	2,110	1.74%
Operating lease	534	-19.52%	664	-30.30%	953	12.07%	850	18.51%	717	10.55%	649	3.67%
Mark-up on term / factoring finance	507	9.77%	462	3.65%	446	12.42%	396	69.40%	234	68.46%	139	-3.22%
	3,366	-0.63%	3,387	0.43%	3,373	7.19%	3,146	6.14%	2,964	2.32%	2,897	1.92%
Income from other operating activities												
Other income - net	502	61.42%	311	38.56%	224	-9.82%	249	-4.84%	261	38.41%	189	-52.25%
Share of profit of equity accounted undertakings	234	-14.90%	275	23.37%	223	35.03%	165	33.60%	124	18.88%	104	-27.13%
	736	25.58%	586	30.99%	447	8.08%	414	7.51%	385	31.47%	293	-67.98%
Total Income	4,101	3.23%	3,973	4.01%	3,820	7.29%	3,560	6.30%	3,349	5.00%	3,190	-15.10%
EXPENSES												
Finance costs	1,666	-3.55%	1,728	4.18%	1,658	0.25%	1,654	-11.45%	1,868	4.04%	1,796	-13.02%
Administrative and general expenses	857	9.12%	785	3.94%	755	3.44%	730	24.71%	585	6.71%	549	-8.52%
Direct cost of leases	395	-19.40%	491	-15.76%	582	15.44%	504	20.33%	419	4.92%	400	3.25%
	2,918	-2.83%	3,003	0.24%	2,996	3.71%	2,889	0.56%	2,873	4.70%	2,744	-10.08%
Profit before provision and taxes												
Provisions and impairment	1,183	22.00%	970	17.70%	824	22.69%	672	40.88%	477	6.82%	446	-36.80%
Allowance for potential lease and loan losses	255	109.36%	122	-11.11%	137	-34.08%	208	10.22%	188	-8.19%	205	-59.75%
Other (reversal) / provisions net	(40)	0.81%	40	-14.78%	47	-5.05%	49	374.34%	10	37.12%	8	-44.02%
Impairment on available for sale securities	-	0.00%	-	0.00%	0	0.00%	0	-100.00%	3	-56.45%	7	-87.92%
	215	33.03%	162	-12.05%	184	-28.50%	257	27.39%	202	-8.13%	220	-62.14%
Profit before tax from continuing operations	968	19.80%	808	26.24%	640	54.45%	414	50.78%	275	21.31%	227	79.89%
Taxation	213	18.16%	180	45.33%	124	62.07%	77	4.79%	73	-10.88%	82	281.48%
Profit from continuing operations	755	20.27%	628	21.66%	516	52.72%	338	67.42%	202	39.53%	145	38.46%
DISCONTINUED OPERATIONS												
(Loss) / profit after taxation from discontinued operations	(13)	-69.80%	43	100.00%	0	0%	0	0%	0	0%	0	0%
Profit for the year	742	10.62%	671	100.00%	516	52.72%	338	67.42%	202	39.53%	145	38.46%

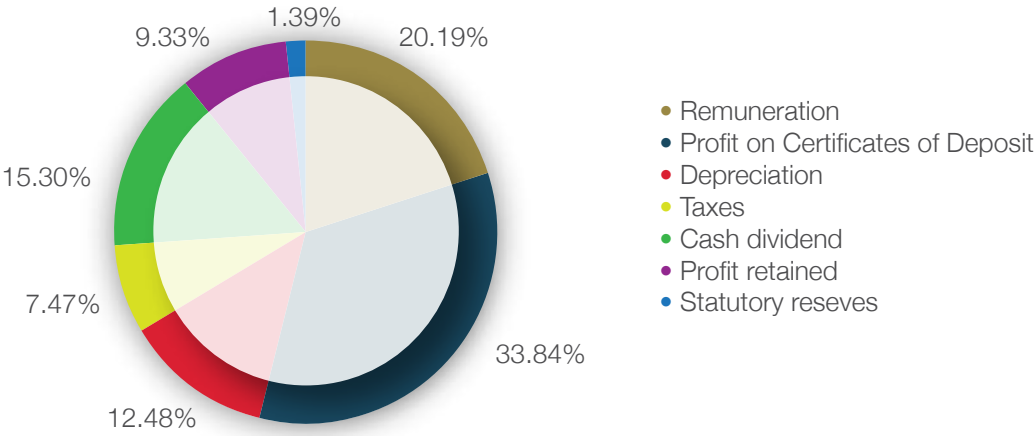
STATEMENT OF VALUE ADDITION

	2016	%	2015	%
Revenues from operations	3,150,700,476		3,225,436,400	
Other income	501,560,991		310,724,363	
Share of profit of associates	234,164,114		275,148,114	
	3,886,425,581		3,811,308,877	
Financial cost	805,873,254		911,045,605	
Direct cost of leases and services	440,701,368		486,925,360	
	1,246,574,622		1,397,970,965	
Value Added	2,639,850,959		2,413,337,912	
Distributed as follows:				
Remuneration	554,458,504	21.00%	487,335,934	20.19%
Profit on Certificate of Deposits	860,550,767	32.60%	816,643,147	33.84%
Depreciation	256,759,373	9.73%	301,270,217	12.48%
Taxes	212,916,615	8.07%	180,191,463	7.47%
Cash dividend	369,372,573	13.99%	369,238,185	15.30%
Profit retained	348,293,127	13.19%	225,113,789	9.33%
Statutory reserves	37,500,000	1.42%	33,545,177	1.39%
	2,639,850,959	100%	2,413,337,912	100%

Distribution of Value Addition - 2016



Distribution of Value Addition - 2015



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Shariah Advisor's Report



ORIX Leasing Pakistan Limited (OLP) started Islamic Financing in April 2011. OLP, with the consultation of undersigned, developed and executed initially the following two Shariah Complaint products:

- Ijarah, and
- Diminishing Musharakah

By the grace of Allah, the year under review, was the fifth year of Islamic financing at ORIX Leasing Pakistan Limited. During the last year concluded, number of Shariah-compliant Ijarah and Diminishing Musharakah Transactions have been carried out by OLP with valuable clients.

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

Shariah Compliance:

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

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

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

Mufti Ibrahim Essa
Shariah Advisor



Date: September 26, 2016



Review Report on the Statement of Compliance

with the Best Practices of the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the code) prepared by the Board of Directors of ORIX Leasing Pakistan Limited for the year ended June 30, 2016 to comply with the requirements of Listing Regulation No. 5.19 of the Pakistan Stock Exchange Limited where the Company is listed.

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

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

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

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2016.

Chartered Accountants
Dated: September 30, 2016
Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>



A.F.FERGUSON & CO.

Auditors' Report to the Members

We have audited the annexed unconsolidated balance sheet of ORIX Leasing Pakistan Limited (the Company) as at June 30, 2016 and the related unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated 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 unconsolidated balance sheet and unconsolidated profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the unconsolidated balance sheet, unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2016 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) In our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Chartered Accountants
Engagement Partner: **Rashid A. Jafer**
Dated: September 30, 2016
Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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■ KARACHI ■ LAHORE ■ ISLAMABAD

Unconsolidated Balance Sheet

As at June 30, 2016

ASSETS	Note	2016	2015
-----Rupees-----			
Non-current assets			
Property, plant and equipment	5	1,765,366,925	1,761,811,476
Intangible assets	6	11,725,852	8,631,456
Net investment in finance lease	7	26,271,915,580	20,823,948,377
Current maturity	14	(11,780,064,405)	(8,746,722,525)
Allowance for potential lease losses	39	(947,366,692)	(721,375,996)
		(12,727,431,097)	(9,468,098,521)
		13,544,484,483	11,355,849,856
Investment in subsidiaries	8	323,510,501	-
Investment in associated undertakings	9	2,266,192,717	2,176,352,899
Long term investments	10	73,580,735	14,404,648
Long term finances and loans	11	1,285,876,450	879,256,372
Long term deposits		11,361,208	10,048,864
		19,282,098,871	16,206,355,571
Current assets			
Short term finances	12	285,650,013	407,365,321
Accrued return on investments and term finance	13	97,973,744	74,783,699
Current maturity of non-current assets	14	13,750,449,781	9,966,101,697
Short term investments	15	1,218,977,146	1,105,942,382
Advances and prepayments	16	43,023,535	46,986,270
Other receivables	17	92,161,674	74,513,043
Cash and bank balances	18	333,494,394	173,286,352
Taxation - net		62,128,298	171,010,858
		15,883,858,585	12,019,989,622
Assets classified as held for sale	19	147,482,703	91,302,209
Total assets		35,313,440,159	28,317,647,402
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
350,000,000 (2015: 350,000,000) Ordinary shares of Rs. 10 each		3,500,000,000	3,500,000,000
Issued, subscribed and paid-up capital	20	820,827,940	820,529,300
Reserves		3,026,981,975	2,616,491,028
		3,847,809,915	3,437,020,328
Surplus on revaluation of leasehold land and office building	21	323,006,602	112,009,008
Non-current liabilities			
Long term finances	22	6,147,989,443	4,707,563,110
Long term certificates of deposit	23	5,874,172,666	5,116,943,351
Long term deposits	24	6,128,429,912	5,238,768,218
Deferred taxation	25	476,449,984	453,715,266
Other long term liabilities	26	258,983,005	268,234,514
Post-employment benefits	37.2.2	1,463,232	849,197
		18,887,488,242	15,786,073,656
Current liabilities			
Trade and other payables	27	810,524,803	641,102,036
Accrued interest / mark-up on loans, finances and certificates of deposit	28	396,034,085	318,976,673
Short term borrowings	29	1,908,924,254	884,301,394
Short term certificates of deposit	30	2,073,044,036	944,348,226
Current maturity of non-current liabilities	31	7,066,608,222	6,193,816,081
		12,255,135,400	8,982,544,410
Total equity and liabilities		35,313,440,159	28,317,647,402
Contingencies and commitments	32		

The annexed notes 1 to 55 form an integral part of these unconsolidated financial statements.


Shaheen Amin
 Chief Executive


Khalid Aziz Mirza
 Chairman

Unconsolidated Profit and Loss Account

For the year ended June 30, 2016

	Note	2016	2015
		----- Rupees -----	
CONTINUING OPERATIONS			
INCOME			
Income from operations			
Finance leases		2,324,490,107	2,261,355,111
Operating leases	33	534,393,758	664,001,673
Mark-up on term finance		506,881,416	461,745,792
		3,365,765,281	3,387,102,576
Income from other activities			
Other income - net	34	501,560,991	310,724,363
Share of profit of equity accounted undertakings	35	234,164,114	275,148,114
		735,725,105	585,872,477
		4,101,490,386	3,972,975,053
EXPENSES			
Finance cost	36	1,666,424,021	1,727,688,752
Administrative and general expenses	37	856,539,520	784,965,399
Direct cost of lease	38	395,379,725	490,566,112
		2,918,343,266	3,003,220,263
Profit before provision and taxation		1,183,147,120	969,754,790
Allowance for potential lease and other loan losses - net	39	254,733,304	121,674,976
Other (reversals) / provisions - net	40	(39,668,499)	39,991,200
		215,064,805	161,666,176
Profit before taxation from continuing operations		968,082,315	808,088,614
Taxation	44	212,916,615	180,191,463
Profit from continuing operations		755,165,700	627,897,151
DISCONTINUED OPERATIONS			
(Loss) / profit after taxation from discontinued operations	45	(12,990,050)	43,006,388
Profit for the year		742,175,650	670,903,539
Earnings per share - basic and diluted			
- From continuing operations	52	9.20	7.65
- From discontinued operations	52	(0.16)	0.53
Total		9.04	8.18

The annexed notes 1 to 55 form an integral part of these unconsolidated financial statements.



Shaheen Amin
Chief Executive



Khalid Aziz Mirza
Chairman

Unconsolidated Statement of Comprehensive Income

For the year ended June 30, 2016

	Note	2016 -----Rupees-----	2015
Profit for the year		742,175,650	670,903,539
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Exchange difference arising on translation of foreign associates - net of deferred tax		26,785,040	26,702,650
Unrealised gain / (loss) due to changes in fair value of available for sale securities - net		(25,538,741)	25,088,542
Unrealised gain due to sale of available for sale securities transferred to profit and loss account		-	(10,375,284)
Net unrealised loss on revaluation of investments classified as available for sale transferred to profit and loss account as impairment loss		-	3,114,225
		(25,538,741)	17,827,483
Net gain on cash flow hedging instruments		35,031,846	23,058,707
		36,278,145	67,588,840
Items that will not be reclassified to profit and loss			
Remeasurements of post employment benefit	37.2.4	(1,752,047)	(134,314)
Total comprehensive income for the year		776,701,748	738,358,065

The annexed notes 1 to 55 form an integral part of these unconsolidated financial statements.


 Shaheen Amin
 Chief Executive


 Khalid Aziz Mirza
 Chairman

Unconsolidated Cash Flow Statement

For the year ended June 30, 2016

	Note	2016	2015
		----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit before working capital changes	46	2,550,742,828	2,603,334,328
(Increase) / decrease in operating assets			
Investment in finance lease - net		(2,102,165,404)	(3,190,671,815)
Long term finances and loans - net		(812,621,190)	(151,358,154)
Short term finances		109,292,175	(93,789,806)
Long term deposits		(1,199,844)	100,839
Advances and prepayments		51,906,089	772,512
Other receivables		(125,586,889)	(14,664,806)
		(2,880,375,063)	(3,449,611,230)
Increase / (decrease) in operating liabilities			
Deposits from lessees - net		626,394,746	941,014,855
Mark-up paid		(842,556,054)	(891,267,782)
Payment against staff retirement benefits		(13,338,159)	(15,204,085)
Profit paid on certificates of deposit		(820,545,496)	(932,099,617)
Trade and other payables		(15,459,761)	132,139,098
		(1,065,504,724)	(765,417,531)
Net cash (used in) / generated from operating activities before income tax		(1,395,136,959)	(1,611,694,433)
Payment of Worker's Welfare Fund		(8,267,589)	-
Income tax paid		(132,236,639)	(158,976,234)
Net cash used in operating activities		(1,535,641,187)	(1,770,670,667)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred - own use and intangible assets		(68,104,802)	(68,262,583)
Capital expenditure incurred - operating lease assets		(26,555,526)	(140,464,106)
Capital expenditure incurred - Ijarah finance		(58,260,500)	(134,260,800)
Proceeds from disposal of assets - own use		24,948,256	19,097,931
Proceeds from sale of operating lease assets		17,939,061	21,906,400
Proceeds from sale of Ijarah finance assets		2,110,081	4,452,765
Installment against consideration on sale of e-Business		5,333,325	-
Investments - net		(133,620,750)	90,611,308
Consideration paid on business combination (SCLL)		(619,181,564)	-
Consideration paid for acquisition of subsidiaries		(323,510,501)	-
Purchase of right shares of equity accounted undertaking		-	(193,330,000)
Dividend received		165,314,935	30,052,040
Interest received		106,658,214	99,982,222
Net cash used in investing activities		(906,929,771)	(270,214,823)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term loans		4,200,000,000	5,701,010,000
Short term borrowings-net		1,099,715,882	-
Certificates of deposit issued / redeemed - net		1,505,046,632	671,090,206
Repayment of long term loans and finances		(3,759,099,166)	(4,162,587,456)
Dividend paid		(367,791,326)	(285,491,030)
Net cash generated from financing activities		2,677,872,022	1,924,021,720
Net increase / (decrease) in cash and cash equivalents		235,301,064	(116,863,770)
Cash and cash equivalents at beginning of the year		(711,015,042)	(594,151,272)
Cash and cash equivalents at end of the year	47	(475,713,978)	(711,015,042)

Cash flows of discontinued operations

45.4

The annexed notes 1 to 55 form an integral part of these unconsolidated financial statements.



Shaheen Amin
Chief Executive



Khalid Aziz Mirza
Chairman

Unconsolidated Statement of Changes in Equity

For the year ended June 30, 2016

	Issued, subscribed and paid-up capital	Capital Reserves		Revenue Reserves			Total shareholders equity	
		Share premium	Statutory reserve	Unappropriated profit	Unrealised (losses) / gains on investment	Hedging reserve		Foreign currency translation reserve
------(Rupees)-----								
Balance as at July 1, 2014	820,529,300	448,603,499	866,000,000	608,531,814	9,738,741	(58,090,553)	287,507,333	2,982,820,134
Profit for the year	-	-	-	670,903,539	-	-	-	670,903,539
Other comprehensive income	-	-	-	(134,314)	17,827,483	23,058,707	26,702,650	67,454,526
Total comprehensive income for the year ended June 30, 2015	-	-	-	670,769,225	17,827,483	23,058,707	26,702,650	738,358,065
Transactions with owner recorded directly in equity								
Cash dividend @ Rs.3.50 per ordinary share of Rs. 10.00 each for the year ended June 30, 2014	-	-	-	(287,185,255)	-	-	-	(287,185,255)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	-	3,027,384	-	-	-	3,027,384
Transfer to statutory reserve	-	-	33,545,177	(33,545,177)	-	-	-	-
Balance as at June 30, 2015	820,529,300	448,603,499	899,545,177	961,597,991	27,566,224	(35,031,846)	314,209,983	3,437,020,328
Shares issued upon amalgamation of SCLL	298,640	-	-	-	-	-	-	298,640
Profit for the year	-	-	-	742,175,650	-	-	-	742,175,650
Other comprehensive income	-	-	-	(1,752,047)	(25,538,741)	35,031,846	26,785,040	34,526,098
Total comprehensive income for the year ended June 30, 2016	-	-	-	740,423,603	(25,538,741)	35,031,846	26,785,040	776,701,748
Transactions with owner recorded directly in equity								
Cash dividend @ Rs.4.50 per ordinary share of Rs. 10.00 each for the year ended June 30, 2015	-	-	-	(369,238,185)	-	-	-	(369,238,185)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	-	3,027,384	-	-	-	3,027,384
Transfer to statutory reserve	-	-	37,500,000	(37,500,000)	-	-	-	-
Balance as at June 30, 2016	820,827,940	448,603,499	937,045,177	1,298,310,793	2,027,483	-	340,995,023	3,847,809,915

The annexed notes 1 to 55 form an integral part of these unconsolidated financial statements.


Shaheen Amin
 Chief Executive


Khalid Aziz Mirza
 Chairman

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

1 LEGAL STATUS AND OPERATIONS

ORIX Leasing Pakistan Limited (“the Company”) was incorporated in Pakistan as a private limited company on July 1, 1986 under the Companies Ordinance, 1984 and was converted into a public limited company on December 23, 1987. The Company is listed on the Pakistan Stock Exchange. The registered office of the Company is situated at Islamic Chamber of Commerce Building, Clifton, Karachi. The Company is licensed to carry out leasing business as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulations) Rules 2003 issued by the Securities and Exchange Commission of Pakistan (SECP).

- 1.1 Pakistan Credit Rating Agency Limited (PACRA) has assigned long term rating of AA+ and short term rating of A1+ to the Company on January 14, 2016.
- 1.2 During the current year, under the ‘Scheme of Amalgamation of Standard Chartered Leasing Limited with and into ORIX Leasing Pakistan Limited’, hereinafter referred to as “The Scheme’ as approved by SECP, Standard Chartered Leasing Limited (SCLL) has been acquired and amalgamated with the Company. The scheme is effective from May 27, 2016 (Note 2).
- 1.3 During the current year, the Company acquired 100% shareholding (4,450,000 shares) in Standard Chartered Services of Pakistan (Private) Limited (SCSPL) - management company of Standard Chartered Modaraba (SCM) on June 20, 2016. SCSPL, which holds 4,538,353 modaraba certificates in SCM, became a subsidiary of the Company as at the aforementioned date and its name has been changed to ORIX Services Pakistan (Private) Limited subsequent to year end.
- 1.4 In the current year, the Company has also acquired 10% holding (4,538,353 certificates) in Standard Chartered Modaraba on June 21, 2016. Since, the Company holds 100% shareholding in the Modaraba management company, therefore, Standard Chartered Modaraba has also become a subsidiary of the Company as at the aforementioned date. The name of Standard Chartered Modaraba has been changed to ORIX Modaraba subsequent to the year end.
- 1.5 During the current year, the Company discontinued its e-Business segment as the business was not aligned to the Company’s strategic objective of concentrating on its core leasing business (Note 45).

2 BUSINESS COMBINATION

2.1 Acquisition of Standard Chartered Leasing Limited

The Company proposed the Scheme of amalgamation of Standard Chartered Leasing Limited with and into the Company which was approved by the shareholders in their extraordinary general meeting held on March 15, 2016. The Scheme was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SC/NBFC-1/OLPL/17/2016/97 dated May 27, 2016, effective from May 27, 2016.

For the purposes of these unconsolidated financial statements, the Company has incorporated the balances relating to Standard Chartered Leasing Limited at their carrying values as appearing in the audited financial statements of Standard Chartered Leasing Limited for the period ended May 26, 2016. These balances are detailed below:

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

	May 26, 2016 (Rupees)
ASSETS	
Current assets	
Cash and bank balances	65,250
Accrued mark-up / return on long term investments	16,107,160
Prepayments and other receivables	59,741,323
Current maturity of non-current assets	1,950,435,248
	2,026,348,981
Non-current assets	
Long term investments	58,882,984
Net investment in finance leases	1,848,448,590
Long term loans	1,791,159
Long term security deposits	112,500
Plant and equipment	1,641,319
Intangible assets	172,062
	1,911,048,614
Total Assets	3,937,397,595
LIABILITIES	
Current liabilities	
Accrued mark-up	40,924,539
Accrued and other liabilities	60,875,483
Borrowing from financial institutions	286,343,838
Certificates of investment	863,167,429
Taxation - net	50,927,274
Current maturity of non current liabilities	443,758,666
	1,745,997,229
Non-current liabilities	
Certificates of investment	398,486,049
Long term security deposits against leases	716,064,843
Long term finance	79,166,667
Deferred tax liability- net	13,955,674
	1,207,673,233
Total Liabilities	2,953,670,462
NET ASSETS	983,727,133

2.2 International Financial Reporting Standard 3, (IFRS 3) "Business Combinations", requires that all identified assets and liabilities acquired in a business combination should be carried at fair values in the acquirer's balance sheet and any intangible assets acquired in the business combination are required to be separately recognised and carried at fair values. IFRS 3 allows the acquirer a maximum period of one year from the date of acquisition to finalise determination of the fair values of the assets and liabilities and to determine the value of any intangible separately identified. The fair valuation exercise of the recorded assets and liabilities will be completed within the period specified under IFRS 3. The carrying values of the above balances may change as a result of the fair value exercise as required under IFRS 3.

2.3 The acquisition of Standard Chartered Leasing Limited is a bargain purchase as the value of the net assets acquired at the acquisition date exceeds the consideration paid by the Company. Details of the carrying values of the net assets as at May 26, 2016, purchase consideration agreed and gain on bargain purchase are as follows:

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

	May 26, 2016 (Rupees)
Carrying value of net assets acquired	983,727,133
Purchase Consideration	
- Cash	747,633,338
- Shares issued upon amalgamation	298,640
	747,931,978
Gain on bargain purchase	235,795,155

The Company has recognised the above gain on bargain purchase in the profit and loss account in accordance with the requirements of International Financial Reporting Standard 3, (IFRS 3) "Business Combinations".

3 BASIS OF PREPARATION

3.1 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. The approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Ordinance, 1984, the requirements of Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case the requirements differ, the provisions of and directives issued under the NBFC Rules, the NBFC Regulations, the Companies Ordinance and the directives issued by the SECP prevail.

3.2 Basis of measurement

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

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

3.3 Functional and presentation currency

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

3.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards require 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

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

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 4.2 and 5);
- (b) allowance for potential lease and other loan losses (Note 4.5 and 39);
- (c) classification of financial assets (Note 4.7);
- (d) valuation of derivatives (Note 4.13);
- (e) provisions (Note 4.17);
- (f) recognition of taxation and deferred tax (Note 4.19, 25 and 44);
- (g) accounting for post employment benefits (Note 4.22 and 37.2);
- (h) employees compensated absences (Note 4.23 and 37.1); and
- (i) impairment (Note 4.24).

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

IFRS 13 'Fair Value Measurement' establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 'Financial Instruments: Disclosures'. As a result of adoption of this standard, the Company has included additional disclosures in this regard in note 51.4 to these unconsolidated financial statements.

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

3.6 Early adoption of amendment to IAS-27 'Separate Financial Statements' (effective for annual periods beginning on or after January 1, 2016)

International Accounting Standard 27 - Separate Financial Statements (IAS 27) currently allows entities to measure their investment in subsidiaries, joint ventures and associates either at cost or as a financial asset in their separate financial statements. The amendment made to IAS 27 introduces the equity method as a third option. The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). The amendment is effective for the accounting period beginning on or after January 1, 2016, however the early adoption of the amendment is permitted by the Standard.

The Company has early adopted the above mentioned amendment to IAS-27 and has accounted for investments in subsidiaries at cost and investment in associates under equity method of accounting in these unconsolidated financial statements as disclosed in note 4.11 and 4.12. Had the Company not opted for early adoption of the amendment in IAS 27, the impact on balance sheet and profit and loss account would have been as follows:

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

	2016	2015
	----- Rupees -----	
Impact on Balance Sheet		
Decrease in investment in Associated undertakings	1,555,460,675	1,465,620,857
Decrease in deferred taxation	(334,292,123)	(355,782,300)
Decrease in unappropriated profit	(880,173,534)	(795,628,576)
Decrease in foreign currency translation reserve	(340,995,018)	(314,209,981)
Impact on Profit and Loss Account		
Decrease in share of profit of equity accounted undertakings	234,164,114	275,148,114
Increase in dividend income	157,929,325	20,881,787
Decrease in deferred taxation charge	17,152,828	66,744,911

3.7 Standards, interpretations and amendments to published approved accounting standards that are not yet effective and not early adopted by the Company:

The following standards, amendments and interpretations with respect to approved accounting standards would be effective from the date mentioned below against the respective standards, amendments or interpretations:

Standards, Interpretations or Amendments	Effective date (accounting period beginning on or after)
- IFRS-9 Financial Instruments	January 1, 2018
- IFRS-15 Revenue from contracts with customers	January 1, 2018
- IFRS-16 Leases	January 1, 2019

The standards highlighted above may impact the financial statements of the Company on adoption and the management is in the process of assessing the full impact.

There are certain other new and amended standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 1, 2016 but are considered not to be relevant or do not have any material effect on the Company's operations and are, therefore, not detailed in these financial statements.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Business Combination

Business combinations are accounted for by applying the acquisition method. The cost of acquisition is measured as the fair value of assets given, equity instruments issued and the liabilities incurred or assumed at the date of acquisition. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the Company's share of identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets acquired in the case of a bargain purchase, the difference is recognised directly in the profit and loss account.

4.2 Property, plant and equipment

Property, plant and equipment (except leasehold land and office buildings) are stated at cost less accumulated depreciation and impairment losses, if any. Leasehold land and office buildings are carried at

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

revalued amounts less accumulated depreciation and subsequent impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

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

Depreciation is charged using the straight line method over the estimated useful lives of assets, at the rates specified in notes 5.1, 5.2 and 5.3 to these unconsolidated financial statements, after taking into account residual values, except for generators under operating lease assets which are depreciated on hourly usage basis. The carrying value of leasehold land is amortised over its lease term. Depreciation on additions is charged from the month the assets are available for use. No depreciation is charged in the month of disposal.

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

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

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

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

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

Ijarah assets

Rental from Ijarah arrangements are recognised in the profit and loss account on an accrual basis as and when rentals become due. Costs including depreciation, incurred in earning the Ijarah income are recognised as expense. Initial direct costs incurred specifically to earn revenues from Ijarah are recognised as an expense in the period in which they are incurred. The Ijarah assets are depreciated over the period of Ijarah on a straight line basis at the rates specified in note 5.3.

4.3 Intangible assets

Intangible assets having definite lives are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is charged as disclosed in note 6.1 applying the straight-line method over the useful lives of the assets. Amortisation is charged from the month in which the asset is available for use, while no amortisation is charged for the month in which the asset is disposed of. The residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

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

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

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

4.4 Net investment in finance lease

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

4.5 Allowance for potential lease and other loan losses

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

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

4.6 Assets classified as held for sale

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

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

4.7 Financial assets

The company classifies its financial assets into the following categories:

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

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

a) Financial assets at ‘fair value through profit or loss’

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. These are initially recognised at fair value and transaction costs associated with these investments are taken directly to the profit and loss account. Investments at ‘fair value through profit or loss’ are marked to market using the closing market rates and are carried on the balance sheet at fair values. Net gains and losses arising on changes in the fair value of these investments are taken to the profit and loss account.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

b) Loans and receivables

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

c) Held-to-maturity

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

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

d) Available-for-sale

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

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

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

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

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

4.7.1 Impairment

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

a) Held-to-maturity

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

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

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

b) Available-for-sale

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

4.8 Financial instruments

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

4.9 Offsetting of financial assets and financial liabilities

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

4.10 Regular way Contracts

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

4.11 Investment in subsidiaries

Investments in subsidiaries are initially recognised at cost. At subsequent reporting dates, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of the investments are adjusted accordingly.

4.12 Investment in associates

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

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

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

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

4.13 Derivative financial instruments and hedging activities

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

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

The Company designates certain derivatives as either:

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

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

(a) Fair value hedge

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

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

4.14 Long term finances and loans

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

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

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

4.15 Foreign currency transactions

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

4.16 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.

4.17 Provisions

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

4.18 Proposed dividend and transfer between reserves

Dividends and appropriations to reserves, except appropriations which are required by law, made subsequent to the balance sheet date are considered as non-adjusting events and are recorded in the financial statements in accordance with the requirements of International Accounting Standard (IAS) 10, 'Events after the Reporting Period' in the year in which they are approved / transfers are made.

4.19 Taxation

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

Current

Provision for current taxation is based on taxable income for the year at the current rate of taxation after taking in to account applicable tax credits, rebates and exemptions available, if any. Tax charge for the current year is determined in accordance with the prevailing laws for taxation. The charge for the current tax is calculated using tax rates enacted or substantively enacted at the balance sheet date. The charge for the current tax also includes adjustments relating to prior years, if necessary, arising from assessments finalised during the year.

Deferred

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

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

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

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

4.20 Revenue recognition

Finance leases

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

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

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

Operating lease income

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

Ijarah lease income

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

Return on investments

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

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

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

Loans and finances

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

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

Others

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

4.21 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.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

4.22 Staff retirement benefits

(a) Defined contribution plan

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

(b) Defined benefit plan

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

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

4.23 Employees compensated absences

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

4.24 Impairment

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

4.25 Segment reporting

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

5	Note	2016	2015
		----- Rupees -----	
PROPERTY, PLANT AND EQUIPMENT			
Fixed assets - own use	5.1	599,288,863	392,126,268
Fixed assets - on operating lease	5.2	1,032,400,115	1,184,613,802
Fixed assets - Ijarah finance	5.3	133,677,947	185,071,406
		1,765,366,925	1,761,811,476

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

5.1 Fixed assets - own use

Description	2016									
	Cost / Revalued Amount				Accumulated depreciation			Net book value		Rate / Years
	As at July 1, 2015	Additions / transfer from amalgamated entity* / (disposals)	Surplus on revaluation / (reversal of accumulated depreciation)	As at June 30, 2016	As at July 1, 2015	Charge for the year / transfer from amalgamated entity / (on disposals)	Reversal due to revaluation	As at June 30, 2016	As at June 30, 2016	
-----Rupees-----										
Leasehold land	152,412,237	-	-	344,450,000	10,080,877	1,640,160	-	-	344,450,000	77 & 99 years
			203,758,800 (11,721,037)				(11,721,037)			
Office building	112,634,044	-	-	87,796,647	30,772,385	5,884,224	-	-	87,796,647	5%
			11,819,212 (36,656,609)				(36,656,609)			
Stock Exchange rooms	10,500,000	-	-	10,500,000	5,000,000	-	-	5,000,000	5,500,000	Indefinite life
Leasehold improvements	76,536,880	6,847,751 (2,891,391)	-	80,493,240	58,414,279	7,443,570 (2,870,437)	-	62,987,412	17,505,828	15%
Furniture, fittings and office equipment	94,860,885	19,208,417 8,913,208* (18,849,750)	-	104,132,760	59,245,662	9,245,535 7,271,889 (15,452,501)	-	60,310,585	43,822,175	15% - 25%
Vehicles	157,130,374	22,437,758 (36,731,169)	-	142,836,963	53,955,824	17,736,560 (21,120,480)	-	50,571,904	92,265,059	20%
Computers and accessories	34,576,478	7,937,696 (8,832,337)	-	33,681,837	29,055,603	5,237,832 (8,560,752)	-	25,732,683	7,949,154	33%
	638,650,898	56,431,622 8,913,208* (67,304,647)	215,578,012 (48,377,646)*	803,891,447	246,524,630	47,187,881 7,271,889 (48,004,170)	(48,377,646)	204,602,584	599,288,863	

* This represents assets acquired from Standard Chartered Leasing Limited upon amalgamation of Standard Chartered Leasing Limited with and into ORIX Leasing Pakistan Limited.

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

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

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

5.1.1 During the current year, the properties of the Company were revalued by an independent professional valuer. The revaluation was carried out by M/s. SURVAL on the basis of professional assessment of present market values and resulted in an increase in surplus by Rs. 215.58 million. The total surplus arising against the revaluation of fixed assets as at June 30, 2016 amounts to Rs. 334.30 million.

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

	2016		
	Cost	Accumulated depreciation	Book value
	-----Rupees-----		
Leasehold land	54,399,300	6,589,476	47,809,824
Office building	76,781,580	26,651,253	50,130,327
	131,180,880	33,240,729	97,940,151

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

5.1.2 Included in cost of fixed assets - own use are fully depreciated items which are still in use aggregating to Rs. 117.62 million (2015: Rs. 104.85 million).

5.1.3 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
	-----Rupees-----					
Book value not exceeding Rs. 50,000 each						
Leasehold improvements	36,933	36,933	-	1,200	Negotiation	Masood Butt
Leasehold improvements - (e-Business)	2,854,458	2,833,504	20,954	*	Negotiation	e-Access (Pvt.) Limited
	2,891,391	2,870,437	20,954	1,200		
Furniture, fittings and office equipment	9,418,333	8,689,692	728,641	3,989,639	Negotiation	Various
Furniture, fittings and office equipment - (e-Business)	7,905,971	6,485,369	1,420,602	*	Negotiation	e-Access (Pvt.) Limited
	17,324,304	15,175,061	2,149,243	3,989,639		
Vehicle	4,441,784	3,837,795	603,989	1,112,000	Negotiation	Various
Computers and accessories	2,655,448	2,634,740	20,708	103,576	Negotiation	Various
Computers and accessories - (e-Business)	6,176,889	5,926,012	250,877	*	Negotiation	e-Access (Pvt.) Limited
	8,832,337	8,560,752	271,585	103,576		
Book value exceeding Rs. 50,000 each						
Furniture, fittings and office equipment						
	75,000	8,438	66,562	67,500	Company policy	Asrar ul Hasan Alvi, Employee
	72,000	12,600	59,400	59,400	Company policy	Imtiaz Ali, Employee
	1,378,446	256,402	1,122,044	*	Negotiation	e-Access (Pvt.) Limited
	1,525,446	277,440	1,248,006	126,900		

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of buyers*
-----Rupees-----						
Vehicles						
	1,803,000	1,171,950	631,050	986,292	Company Policy	Mian Faysal Riaz, Employee
	1,679,000	923,450	755,550	755,550	Company Policy	Mr. Teizoon Kisat, Employee
	1,541,000	554,760	986,240	1,204,082	Company Policy	Syed Muhammad Matin, Employee
	911,000	614,925	296,075	487,538	Company Policy	Mr. Ahsan Habib Ahsan, Employee
	911,000	614,925	296,075	519,242	Company Policy	Mr. Fahad Shahzad Memon, Employee
	868,000	694,400	173,600	173,600	Company Policy	Mr. Muhammad Atif Jamal Soofi, Employee
	859,000	579,825	279,175	415,900	Company Policy	Mr. Syed Waqas Ali Shah, Employee
	848,700	684,900	163,800	163,800	Company Policy	Mr. Muhammad Faisal Akram, Employee
	829,000	663,200	165,800	200,820	Company Policy	Mr. Muhammad Asif Bhatti, Employee
	819,000	655,200	163,800	171,300	Company Policy	Mr. Imran Shahzada, Employee
	819,000	655,200	163,800	163,800	Company Policy	Mr. Muhammad Yaseen, Employee
	819,000	655,200	163,800	163,800	Company Policy	Mr. Muhammad Jehangir, Employee
	819,000	655,200	163,800	163,800	Company Policy	Mr. Yasir Saleem, Employee
	809,000	546,075	262,925	399,400	Company Policy	Mr. Kamran Asim, Employee
	652,000	277,100	374,900	600,000	Insurance Claim	EFU Insurance Company Limited
	102,900	4,716	98,184	97,000	Insurance Claim	Adamjee Insurance Company Limited
	8,650,000	4,065,500	4,584,500	6,066,000	Negotiation	Mr. Imran Malik
	1,886,500	622,545	1,263,955	1,384,117	Negotiation	Mr. Khadim Hussian
	1,607,500	289,350	1,318,150	1,450,000	Negotiation	Mr. Suleman Hussaini
	1,477,500	664,875	812,625	1,291,000	Negotiation	Mr. Javed Muhammad Khan
	1,039,000	77,925	961,075	962,000	Negotiation	Mr. Waseem Mirza
	819,000	552,825	266,175	600,000	Negotiation	Mr. Naveed Zafar Malik
	570,285	278,014	292,271	457,000	Negotiation	Mr. Sher Wali Khan
	395,000	266,625	128,375	259,000	Negotiation	Mr. Ali Akber
	395,000	316,000	79,000	300,000	Negotiation	Mr. M. Mashkooor Alam
	360,000	198,000	162,000	179,900	Negotiation	Mr. Shakeel Ahmed
	32,289,385	17,282,685	15,006,700	19,614,941		
	67,304,647	48,004,170	19,300,477	24,948,256		

* The assets disposed to e-Access (Pvt.) Limited pertains to e-Business (discontinued operations). These assets were disposed of as a 'disposal group'. Refer Note 45 for details.

5.1.4 The depreciation expense for the year has been allocated as follows:

	Note	2016	2015
Administrative and general expenses	37	46,182,718	45,829,445
(Loss) / profit after taxation from discontinued operations	45.3	1,005,163	1,786,520
		47,187,881	47,615,965

Notes to and Forming Part of the Unconsolidated Financial Statements

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5.2 Fixed assets - on operating lease

Description	2016								Rate
	Cost		Accumulated depreciation			Net book value			
	As at July 1, 2015	Additions / (disposals)	As at June 30, 2016	As at July 1, 2015	Charge for the year / (on disposals)	As at June 30, 2016	As at June 30, 2016		
-----Rupees-----									
Generators	1,679,628,212	8,417,192 (27,307,270)	1,660,738,134	588,792,289	85,658,701 (14,134,222)	660,316,768	1,000,421,366	number of hours	
Generators Accessories	122,993,994	1,538,433 (3,007,500)	121,524,927	80,716,214	12,376,637 (2,922,675)	90,170,176	31,354,751	10% - 15%	
Communication equipment	410,273,755	16,599,901 (426,873,656)	-	362,444,172	9,871,935 (372,316,107)	-	-	15% - 33%	
Vehicles	7,587,500	- (6,147,500)	1,440,000	3,916,984	587,519 (3,688,501)	816,002	623,998	33%	
	2,220,483,461	26,555,526 (463,335,926)	1,783,703,061	1,035,869,659	108,494,792 (393,061,505)	751,302,946	1,032,400,115		
Description	2015								Rate
	Cost		Accumulated depreciation			Net book value			
	As at July 1, 2014	Additions / (disposals)	As at June 30, 2015	As at July 1, 2014	Charge for the year / (on disposals)	As at June 30, 2015	As at June 30, 2015		
-----Rupees-----									
Generators	1,596,827,532	121,080,472 (38,279,792)	1,679,628,212	473,602,148	147,570,650 (32,380,509)	588,792,289	1,090,835,923	number of hours	
Generators Accessories	123,081,558	200,000 (287,564)	122,993,994	67,489,455	13,514,323 (287,564)	80,716,214	42,277,780	10% - 15%	
Communication equipment	391,589,921	18,683,834 -	410,273,755	344,204,999	18,239,173 -	362,444,172	47,829,583	15% - 33%	
Vehicles	8,283,000	- (695,500)	7,587,500	2,619,726	1,633,416 (336,158)	3,916,984	3,670,516	33%	
	2,119,782,011	139,964,306 (39,262,856)	2,220,483,461	887,916,328	180,957,562 (33,004,231)	1,035,869,659	1,184,613,802		

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

5.2.1 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
----- Rupees -----						
Book value not exceeding Rs. 50,000 each						
Generators & generator accessories	2,467,500	2,467,500	-	1,487,500	Negotiation	Master Tiles & Ceramics
Communication equipment	93,499,045	93,499,045	-	509,100	Insurance claim	Various
Communication equipment	237,513,185	237,464,739	48,446		*Negotiation	e-Access (Pvt.) Limited
	331,012,230	330,963,784	48,446	509,100		
Book value exceeding Rs. 50,000 each						
Generators & generator accessories	6,740,000	3,135,528	3,604,472	2,313,057	Negotiation	United Engineering & Services
	6,479,166	3,989,935	2,489,231	1,775,000	Negotiation	Sarfaz & Brother
	6,403,104	2,483,113	3,919,991	2,576,157	Negotiation	Sun Engineering
	5,200,000	3,575,542	1,624,458	1,710,786	Negotiation	United Engineering & Services
	3,025,000	1,405,279	1,619,721	3,070,741	Negotiation	United Engineering & Services
	27,847,270	14,589,397	13,257,873	11,445,741		
Communication equipment	95,861,426	41,352,324	54,509,102		*Negotiation	e-Access (Pvt.) Limited
Vehicles	695,500	417,300	278,200	572,300	Negotiation	Mr. Shaukat Ali Akbar
	695,500	417,300	278,200	466,905	Negotiation	Mr. Shaukat Ali Akbar
	695,500	417,300	278,200	460,905	Negotiation	Mr. Shaukat Ali Akbar
	695,500	417,300	278,200	541,300	Negotiation	Mr. Javed Hashim
	675,500	405,300	270,200	510,500	Negotiation	Mr. S.M Tasleem
	675,500	405,300	270,200	505,500	Negotiation	Mr. S.M Tasleem
	675,500	405,300	270,200	511,500	Negotiation	Mr. S.M Tasleem
	669,500	401,700	267,800	458,905	Negotiation	Mr. Intikhab Ahmed Khan
	669,500	401,700	267,800	468,905	Negotiation	Mr. Intikhab Ahmed Khan
	6,147,500	3,688,500	2,459,000	4,496,720		
	463,335,926	393,061,505	70,274,421	17,939,061		

* The assets disposed to e-Access (Pvt.) Limited pertains to e-Business (discontinued operations). These assets were disposed of as a 'disposal group'. Refer Note 45 for details.

5.2.2 Included in cost of fixed assets - operating lease are fully depreciated items which are still in use aggregating to Rs. 155.89 million (2015: Rs. 400.67 million).

5.2.3 The depreciation expense for the year has been allocated as follows:

	Note	2016	2015
Direct cost of lease	38	98,622,857	162,718,388
(Loss) / profit after taxation from discontinued operations	45.2	9,871,935	18,239,174
		108,494,792	180,957,562

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

5.3 Fixed assets - Ijarah finance

Description	2016							
	Cost		Accumulated depreciation			Net book value		Rate
	As at July 1, 2015	Additions / (disposals)	As at June 30, 2016	As at July 1, 2015	Charge for the year / (on disposals)	As at June 30, 2016	As at June 30, 2016	
-----Rupees-----								
Machinery & Generators	204,508,000	41,300,000 (18,519,000)	227,289,000	68,507,561	76,751,601 (18,519,000)	126,740,162	100,548,838	Underlying lease term
Vehicles	113,887,640	16,960,500 (41,942,500)	88,905,640	64,816,673	31,001,692 (40,041,834)	55,776,531	33,129,109	Underlying lease term
	318,395,640	58,260,500 (60,461,500)	316,194,640	133,324,234	107,753,293 (58,560,834)	182,516,693	133,677,947	

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

5.3.1 Details of fixed assets - Ijarah finance, disposed during the year are as follows:

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of buyers
----- Rupees -----						
Book value not exceeding Rs. 50,000 each						
Machinery & Generators	18,519,000	18,519,000	-	-	As per contract terms	Various
Vehicles	30,627,000	30,627,000	-	-	As per contract terms	Various
Book value exceeding Rs. 50,000 each						
Vehicles	875,000	243,056	631,944	659,525	Negotiation	Faisal Iqbal
	1,385,000	1,240,729	144,271	185,325	Negotiation	Mubashir Bashir Bhutta
	1,366,000	1,252,167	113,833	92,944	Negotiation	Syed Farhan Zia
	680,000	547,778	132,222	142,343	Negotiation	Muhammad Irfan
	2,500,000	2,361,111	138,889	166,904	Negotiation	Kun&Co.
	1,721,000	1,577,583	143,417	171,605	Negotiation	Abdul Hameed
	920,000	868,889	51,111	61,661	Negotiation	Abdul Khaliq
	1,868,500	1,323,521	544,979	629,774	Negotiation	Futehally Chemicals (Pvt) Limited
	11,315,500	9,414,834	1,900,666	2,110,081		
	60,461,500	58,560,834	1,900,666	2,110,081		

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

5.3.2 The depreciation expense has been charged to direct cost of leases.

6	INTANGIBLE ASSETS	Note	2016	2015
			-----Rupees-----	
	Computer software and license	6.1	11,725,852	8,631,456
			11,725,852	8,631,456

6.1 Computer software and license

Description	2016						Net book Value	Rate
	Cost		Accumulated amortisation					
	As at July 1, 2015	Additions / transfer from amalgamated entity* / (disposals)	As at June 30, 2016	As at July 1, 2015	Charge for the year / transfer from amalgamated entity* / (on disposals)	As at June 30, 2016		
	-----Rupees-----							
Computer software and license	86,301,840	11,673,180	55,110,336	77,670,384	8,351,005	43,384,484	11,725,852	36-80 months
		1,347,692	*		1,175,630	*		
		(44,212,376)			(43,812,535)			
	86,301,840	11,673,180	55,110,336	77,670,384	8,351,005	43,384,484	11,725,852	
		1,347,692	*		1,175,630	*		
		(44,212,376)			(43,812,535)			

* This represents assets acquired from Standard Chartered Leasing Limited upon amalgamation of Standard Chartered Leasing Limited with and into ORIX Leasing Pakistan Limited.

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

6.2 Details of intangible assets disposed during the year are as follows:

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of buyers*
	----- Rupees -----					
Book value not exceeding Rs. 50,000 each	43,712,576	43,706,328	6,248	*	Negotiation	e-Access (Pvt.) Limited
Book value exceeding Rs. 50,000 each	499,800	106,207	393,593	*	Negotiation	e-Access (Pvt.) Limited
	44,212,376	43,812,535	399,841	-		

* The assets disposed to e-Access (Pvt.) Limited pertains to e-Business (discontinued operations). These assets were disposed of as a 'disposal group'. Refer Note 45 for details.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

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

	Note	2016	2015
-----Rupees-----			
Administrative and general expenses	37	4,200,505	1,427,300
(Loss) / profit after taxation from discontinued operations	45.2	4,150,500	3,307,027
		8,351,005	4,734,327

7	NET INVESTMENT IN FINANCE LEASE	Note	2016	2015
-----Rupees-----				
	Installment contract receivables		21,061,432,559	17,062,648,835
	Residual value		8,441,261,944	6,808,120,022
		7.1	29,502,694,503	23,870,768,857
	Less: Unearned finance income		3,230,778,923	3,046,820,480
			26,271,915,580	20,823,948,377

7.1	Details of investment in finance lease	Gross investment in finance lease		Present value of investment in finance lease	
		2016	2015	2016	2015
----- Rupees -----					
	Less than one year	13,548,638,627	9,228,479,570	11,780,064,405	8,746,722,525
	One to five years	15,954,055,876	14,642,289,287	14,491,851,175	12,077,225,852
		29,502,694,503	23,870,768,857	26,271,915,580	20,823,948,377

7.2 The Company's implicit rate of return on leases ranges between 7.59% and 25.00% (2015: 11.25% and 25.00%) per annum. These are secured against leased assets and security deposits generally upto 22.00% (2015: upto 23.00%) of the cost of leased assets.

7.3 Based on the NBFC Regulations, the aggregate net exposures in finance leases against which income suspension is required amounted to Rs. 784.06 million (2015: Rs. 673 million).

7.4 Lease rentals received during the year aggregate to Rs. 9,916 million (2015: Rs. 8,536 million).

8	INVESTMENT IN SUBSIDIARIES	Note	2016	2015
-----Rupees-----				
	- ORIX Services Pakistan (Private) Limited (formerly Standard Chartered Services of Pakistan (Private) Limited - Modaraba Management Company	8.1	183,489,632	-
	- ORIX Modaraba (formerly Standard Chartered Modaraba)	8.2	140,020,869	-
			323,510,501	-

8.1 The Company holds 100% shares in ORIX Services Pakistan (Private) Limited (formerly Standard Chartered Services of Pakistan (Private) Limited at June 30, 2016 (2015: Nil).

8.2 The Company holds 10% certificates in ORIX Modaraba (formerly Standard Chartered Modaraba) as at June 30, 2016 (2015: Nil).

9	INVESTMENT IN ASSOCIATED UNDERTAKINGS	Note	2016	2015
-----Rupees-----				
	Related parties			
	Investment in equity accounted undertakings	9.1	2,266,192,717	2,176,352,899

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

2016 (Number of shares)	2015		Note	2016 -----Rupees-----	2015
		Quoted			
29,223,944	28,099,946	Oman ORIX Leasing Company SAOG	9.1.2 & 9.1.3	1,138,382,265	1,077,858,593
				1,138,382,265	1,077,858,593
		Unquoted			
1,375,000	1,375,000	Saudi ORIX Leasing Company		572,953,631	516,256,056
90,000	90,000	AI Hail ORIX Finance PSC		284,249,975	300,191,268
920,000	920,000	ORIX Leasing Egypt SAE		270,606,846	282,046,982
8,750	8,750	SK Leasing JSC		-	16,443,654
		Less: Impairment		-	16,443,654
			9.1.6	-	-
				2,266,192,717	2,176,352,899

9.1.1 Oman ORIX Leasing Company SAOG, Saudi ORIX Leasing Company, AI Hail ORIX Finance PSC, and ORIX Leasing Egypt SAE are accounted for as equity accounted undertakings due to the significant influence of the Company in these companies.

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

	2016 -----Rupees-----	2015
Oman ORIX Leasing Company SAOG	898,484,392	1,114,541,211

9.1.3 Includes 1,428 shares at Riyal Omani (R.O.) 0.1/- each (2015: 1,374 shares at R.O.0.1/- each) held in the name of a Director in the investee company. The aggregate carrying value of these shares is Rs. 0.056 million (2015: Rs. 0.053 million).

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

Name	Date of financial year end	As at June 30, 2016		For the period ended July 1, 2015 to June 30, 2016		Interest held
		Total assets	Total liabilities	Revenues	Profit / (loss)	
2016						
Quoted						
Oman ORIX Leasing Company SAOG	31 December	47,832,881,034	38,095,941,074	4,651,776,284	1,438,168,277	11.64%
Unquoted						
Saudi ORIX Leasing Company	31 December	52,900,576,490	29,884,381,006	6,239,398,642	2,246,438,562	2.50%
AI Hail ORIX Finance PSC	31 December	29,438,437,144	20,169,490,535	2,770,960,734	(140,618,550)	3.00%
ORIX Leasing Egypt SAE	31 December	8,609,381,614	7,505,188,353	1,097,405,477	136,042,992	23.00%
2015						
Quoted						
Oman ORIX Leasing Company SAOG	31 December	40,130,525,041	31,492,870,273	3,987,784,015	1,340,752,555	11.64%
Unquoted						
Saudi ORIX Leasing Company	31 December	60,883,891,714	39,972,094,757	6,931,796,948	3,160,819,805	2.50%
AI Hail ORIX Finance PSC	31 December	33,565,970,531	23,631,148,871	3,005,421,538	785,801,133	3.00%
ORIX Leasing Egypt SAE	31 December	8,387,175,455	7,160,837,868	1,016,328,968	150,616,994	23.00%

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

9.1.5 Movement of investment in associates:

	2016					Total
	Oman ORIX Leasing Company SAOG	Saudi ORIX Leasing Company	Al Hail ORIX Finance PSC	ORIX Leasing Egypt SAE		
	----- (Rupees) -----					
Balance at the beginning of the year	1,077,858,593	516,256,056	300,191,268	282,046,982		2,176,352,899
Share of profit / (loss) for the year	167,427,237	43,243,943	(4,750,329)	28,243,263		234,164,114
Share of other comprehensive income / (loss) for the year	33,487,709	14,250,622	5,892,042	(39,683,399)		13,946,974
Dividend received during the year	(140,050,137)	(796,990)	(17,082,198)	-		(157,929,325)
Exchange gain / (loss)	(341,137)	-	(808)	-		(341,945)
	1,138,382,265	572,953,631	284,249,975	270,606,846		2,266,192,717

	2015					Total
	Oman ORIX Leasing Company SAOG	Saudi ORIX Leasing Company	Al Hail ORIX Finance PSC	ORIX Leasing Egypt SAE	SK Leasing JSC	
	----- (Rupees) -----					
Balance at the beginning of the year	892,968,834	376,243,669	166,184,980	257,152,943	25,043,645	1,717,594,071
Investments made during the year	-	67,375,000	125,955,000	-	-	193,330,000
Share of profit for the year	156,086,391	60,845,782	23,574,034	34,641,907	-	275,148,114
Share of other comprehensive income / (loss) for the year	28,803,368	11,981,628	5,169,018	(9,747,868)	-	36,206,146
Dividend received during the year	-	(190,023)	(20,691,764)	-	(8,603,613)	(29,485,400)
Impairment loss	-	-	-	-	(16,443,654)	(16,443,654)
Exchange gain / (loss)	-	-	-	-	3,622	3,622
	1,077,858,593	516,256,056	300,191,268	282,046,982	-	2,176,352,899

9.1.6 During the current year, the Company has classified the investment in SK Leasing JSC as 'Non-current asset classified as held for sale'. Refer Note 19.3 for details.

10 LONG TERM INVESTMENTS

	Note	2016	2015
		-----Rupees-----	
Held-to-maturity investments			
Pakistan investment bonds (PIBs)	10.1	433,552,335	14,404,648
Term finance certificates (TFCs)			
- Unlisted	10.2	1,701,878	3,265,627
		435,254,213	17,670,275
Less: Current maturity	14	359,971,600	-
Less: Provision for potential losses on investments	39.2	1,701,878	3,265,627
		361,673,478	3,265,627
		73,580,735	14,404,648

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

- 10.1 This investment has been made as required under Regulation 14(4)(g) of the Non Banking Finance Companies and Notified Entities Regulations, 2008 to maintain liquidity against certificates of deposit. This is redeemable within a period of 3 years (2015: 3 years) from the balance sheet date, carrying coupon rate of 9.60% to 12.00% (2015: 9.60%) per annum due half yearly from the date of issue.
- 10.2 This represents investment made by the Company in unlisted Term Finance Certificates (TFCs). The exposure against these TFCs amounting to Rs. 1.70 million has been fully provided.

11	LONG TERM FINANCES AND LOANS	Note	2016	2015
			-----Rupees-----	
Considered good				
Loan to Key Management Personnel and other Executives				
	Key management personnel - related party		37,417,862	37,469,419
	Other Executives		36,412,517	37,750,991
		11.1 & 11.3	73,830,379	75,220,410
Others				
	Agri finance - secured	11.2	5,120,103	17,065,065
	Employees - secured	11.3	41,092,927	24,278,481
	Micro finance	11.4	244,336,446	20,791,813
	Musharakah finance - secured	11.5	71,310,416	50,935,714
	Term finance - secured	11.6	-	26,250,003
	Vehicle finance - secured	11.7	2,460,599,955	1,884,094,058
			2,822,459,847	2,023,415,134
			2,896,290,226	2,098,635,544
Considered doubtful				
Others				
	Agri finance - secured		13,557,687	16,218,817
	Micro finance		1,502,466	395,283
	Term finance - secured		195,008,867	195,008,867
	Vehicle finance - secured		45,995,947	38,641,500
			256,064,967	250,264,467
	Less: Allowance for potential loan losses	39.1	256,064,967	250,264,467
			-	-
Less: Current maturity				
	Key Management Personnel, other Executives and employees		23,043,522	22,082,909
	Others		1,587,370,254	1,197,296,263
		14	1,610,413,776	1,219,379,172
			1,285,876,450	879,256,372
11.1	Reconciliation of outstanding amount of loans to Key Management Personnel and other Executives			
	Opening balance		75,220,410	74,696,888
	Disbursements		12,874,857	13,906,080
	Repayments		(14,264,888)	(13,382,558)
			73,830,379	75,220,410

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

11.2 This represents long term finance offered to farmers on mark-up basis. The rate of return on these loans ranges between 15.00% and 28.00% (2015: 15.00% and 28.00%) per annum. These loans are repayable within a period of 1.5 year to 3 years (2015: 1 year to 3 years) and are secured against title documents of immovable property and hypothecation of personal assets.

11.3 This includes housing loans given in accordance with the terms of the Company's employment policy and are repayable within a period of 20 years or retirement date whichever is 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% (2015: 5.00%) per annum. Loans to Key Management Personnel, Executives and other employees (other than housing loan) carry mark-up rates up to 15.00% (2015: up to 15.00%) per annum. These are secured against their retirement benefits and are repayable within a period of five years.

Maximum amount outstanding at the end of any month during the year against loans to Key Management Personnel and Executives was Rs. 81.61 million (2015: Rs. 75.22 million).

11.4 This represents long term micro loans offered to individuals and women entrepreneurs on mark-up basis. The rate of return on these loans ranges between 28.00% and 35.78% (2015: 28.00% and 36.00%) per annum. These are secured against personal guarantees of community organisations and are repayable within a period of 1.5 years (2015: 1.5 years).

11.5 This represents musharakah facilities provided to customers. The rate of return on these finances ranges between 11.35% and 21.00% (2015: 12.20% and 21.00%) per annum. The facilities have a repayment term of 2 to 5 years (2015: 3 to 4 years) and are secured by assets subject to musharakah agreement.

11.6 This represents term finance facility provided to customers on mark-up basis. The mark-up on these finances ranges between 5.00% and 20.00% (2015: 15.00% and 20.00%) per annum. These finances are repayable within a period of 2 years to 5 years (2015: 2 years 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.

11.7 This represents vehicle financing facility provided to customers on mark-up basis. The mark-up on these finances ranges between 10.14% and 24.00% (2015: 11.38% and 25.00%) per annum. These finances are repayable within a period of 2 years to 5 years (2015: 2 years to 5 years) and are secured against charge over vehicles and personal guarantee of individuals.

12 SHORT TERM FINANCES	Note	2016	2015
-----Rupees-----			
Considered good			
Agri finance - secured	12.1	2,341,547	4,956,966
Micro finance	12.2	195,123,450	365,578,117
Term finance - secured	12.3	88,185,016	36,830,238
		285,650,013	407,365,321
Considered doubtful			
Agri finance - secured		5,532,104	9,116,074
Micro finance		3,489,068	3,988,639
Term finance - secured		115,407,328	123,707,326
		124,428,500	136,812,039
Less: Allowance for potential losses	39.1	124,428,500	136,812,039
		285,650,013	407,365,321

12.1 This represents short term finance offered to farmers on mark-up basis. The mark-up on these loans ranges between 17.00% and 26.00% (2015: 17.00% and 28.00%) per annum. These are secured against title documents of immovable property and hypothecation of personal assets and are recoverable within twelve months.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

12.2 This represents short term micro loans offered to individuals and women entrepreneurs on mark-up basis. The mark-up on these loans ranges between 14.70% and 35.08% (2015: 20.00% and 38.00%) per annum. These are secured against personal guarantees of community organisations and are recoverable within twelve months.

12.3 This represents term finance facilities provided to customers on mark-up basis in the normal course of business. The mark-up on these finances ranges between 9.50% and 18.00% (2015: 10.50% and 18.00%) per annum. These finances are recoverable between one and twelve months and are secured against charge over fixed assets, trade receivables, hypothecation of stocks and lien over certificates of deposit.

13 ACCRUED RETURN ON INVESTMENTS AND TERM FINANCE	Note	2016	2015
-----Rupees-----			
Investments		51,245,595	30,280,365
Term finance and loans		46,728,149	44,503,334
		97,973,744	74,783,699
14 CURRENT MATURITY OF NON-CURRENT ASSETS			
Current maturity of:			
Net investment in finance lease	7.1	11,780,064,405	8,746,722,525
Long term investments	10	359,971,600	-
Long term finances and loans	11	1,610,413,776	1,219,379,172
		13,750,449,781	9,966,101,697
15 SHORT TERM INVESTMENTS			
Held-to-maturity investments			
Certificates of deposit		-	708,602
At fair value through profit and loss			
Treasury bills	15.1	610,536,907	463,531,798
Term finance certificates	15.2	8,000,527	18,992,047
		618,537,434	482,523,845
Available-for-sale			
Pakistan investment bond (PIBs)	15.3	593,380,572	616,133,538
Ordinary shares - unlisted	15.4 & 15.5	15,059,667	15,285,526
		608,440,239	631,419,064
Loans and receivables			
Fund placements		-	334,183
Less: Allowance for potential losses	39.2	8,000,527	9,043,312
		1,218,977,146	1,105,942,382

15.1 This represents investments made as required under Regulation 14(4)(g) of the NBFC Regulations to maintain liquidity against certificates of deposit. These are redeemable within a period of 12 months (2015: 12 months) from the balance sheet date, carrying yield ranging from 5.81% to 6.38% (2015: 6.73% to 8.33%) per annum due at maturity.

15.2 This represents investment made by the Company in unlisted Term Finance Certificates (TFCs) that has been fully provided.

Notes to and Forming Part of the Unconsolidated Financial Statements

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- 15.3** This represents investments made as required under Regulation 14(4)(g) of the NBFC Regulations to maintain liquidity against certificates of deposit. These are highly liquid and can be sold in secondary market at any time. These carry yield ranging from 8.9% to 11.97% (2015: 8.9% to 11.97%).
- 15.4** This includes shares of LSE Financial Services Limited (formerly Lahore Stock Exchange Limited) received by the Company in pursuance of Stock Exchanges (Corporatisation, Demutualisation and Integration) Act, 2012 (The Act). The total number of shares received by the Company are 843,975 with a face value of Rs. 10 each. These include 506,385 (60% shares) which are required to be held in separate Central Depository Company (CDC) blocked account to restrict the sale of these shares by the members, whereas, stock exchanges will dispose of these shares under the Act. However, the proceeds of these shares and right to dividend / bonus is vested with members while the voting rights attached to these shares are suspended. In the absence of an active market, these shares have been carried at face value of Rs. 10 each.
- 15.5** This includes shares of Burj Bank Limited against which impairment loss of Rs. 3.10 million (2015: 3.10 million) has been recognised.

16	Note	2016	2015
		-----Rupees-----	
16 ADVANCES AND PREPAYMENTS			
Advances - unsecured		26,754,718	20,199,538
Prepayments			
Insurance			
- leased assets		1,721,847	2,561,808
- own assets		-	266,944
Rent		5,466,908	10,431,361
Others		9,080,062	13,526,619
		16,268,817	26,786,732
		43,023,535	46,986,270
17 OTHER RECEIVABLES			
Considered good			
Operating lease rentals receivable		26,282,605	56,189,345
Ijarah rental receivable		4,567,689	1,965,497
Receivable against sale of e-Business	17.1	26,666,675	-
Receivable from staff retirement funds - SCLL	17.2	24,648,274	-
Fair value of hedging instrument		-	15,539,862
Others		9,996,431	818,339
		92,161,674	74,513,043
Considered doubtful			
Operating lease rentals receivable		20,233,268	33,824,885
Ijarah rental receivable		10,153,061	4,041,668
Receivable from equity brokerage customers		32,989,328	39,438,514
Others		1,821,064	-
		65,196,721	77,305,067
Less: Allowance for potential losses	39.2	65,196,721	77,305,067
		92,161,674	74,513,043

- 17.1** This represents receivable on account of sale of e-Business (Discontinued operation).
- 17.2** This represents the amount receivable from retirement funds of the merged entity (i.e. Standard Chartered Leasing Limited) in respect of payment made to SCLL employees by ORIX Leasing Pakistan Limited.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

18 CASH AND BANK BALANCES	Note	2016	2015
		-----Rupees-----	
Cash in hand		1,216,472	1,321,720
With banks on:			
- Current accounts		307,232,117	124,759,908
- Deposit accounts	18.1	25,045,805	47,204,724
		332,277,922	171,964,632
		333,494,394	173,286,352

18.1 These carry markup rates ranging from 2.60 % to 5.00 %. (2015: 3.00% to 5.50%).

19 ASSETS CLASSIFIED AS HELD FOR SALE

Repossessed assets	19.1	19,189,266	3,547,810
Investment in associated undertakings	19.2 & 19.3	128,293,437	87,754,399
		147,482,703	91,302,209

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

19.2 The management intends to divest the Company's investment in OPP (Private) Limited, subject to necessary regulatory approvals. As at the balance sheet date, the carrying value of investment in OPP (Private) Limited is 87.75 million (2015: 87.75 million).

19.3 During the current year, the Company entered into a sale purchase agreement (SPA) to divest its investment in SK Leasing JSC. As a result, the investment in SK Leasing JSC has been classified under asset classified as held for sale at the carrying amount of Rs. 40.54 million. The fair value less cost to sell of SK Leasing amounts to Rs. 46.38 million.

20 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2016 (Number of Shares)	2015		2016	2015
			-----Rupees-----	
		Ordinary shares of Rs. 10/- each		
49,355,892	49,355,892	Fully paid in cash	493,558,920	493,558,920
30,544,364	30,544,364	Fully paid bonus shares	305,443,640	305,443,640
2,182,538	2,152,674	Fully paid shares against amalgamation	21,825,380	21,526,740
82,082,794	82,052,930		820,827,940	820,529,300

20.1 As at June 30, 2016, ORIX Corporation, Japan and its nominees held 40,693,564 (2015: 40,693,564) ordinary shares equivalent to 49.58% (2015: 49.59%) of the total shareholding.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

	Note	2016	2015
		-----Rupees-----	
21 SURPLUS ON REVALUATION OF LEASEHOLD LAND AND OFFICE BUILDING			
Opening balance		121,755,868	124,783,252
Revaluation surplus arising during the year		215,578,012	-
Adjustment in respect of incremental depreciation transferred to retained earnings		(3,027,384)	(3,027,384)
		334,306,496	121,755,868
Opening balance of deferred tax liability		(9,746,860)	(43,674,136)
Effect of change in tax rate		1,392,410	-
Adjustment on transfer of incremental depreciation to retained earnings		600,320	1,059,587
Reversal of deferred tax liability on land		-	32,867,689
Deferred tax liability on surplus arising during the year		(3,545,764)	-
	25	(11,299,894)	(9,746,860)
		323,006,602	112,009,008
22 LONG TERM FINANCES - secured			
Long term finances utilised under mark-up arrangements - financial institutions	22.1	9,126,566,141	8,033,455,235
Less: Unamortised transaction cost		19,522,910	31,503,031
Less: Current maturity	31	2,959,053,788	3,294,389,094
		2,978,576,698	3,325,892,125
		6,147,989,443	4,707,563,110
22.1	These finances have been obtained for financing of lease operations and are secured by hypothecation of leased assets, related lease receivables and operating lease assets. The mark-up rate thereon ranges between 7.07% to 7.61% (2015: 7.91% to 12.23%) per annum. These finances are repayable within a period of 18 to 60 months (2015: 18 to 60 months).		
23 LONG TERM CERTIFICATES OF DEPOSIT - unsecured			
		-----Rupees-----	
Certificates of deposit	23.1 & 23.2	7,676,914,791	6,038,910,491
Less: Current maturity	31	1,802,742,125	921,967,140
		5,874,172,666	5,116,943,351
23.1	These represent long term certificates of deposit, issued at expected rates of profit, ranging between 6.15% and 15% (2015: 7.13% and 15.50%) per annum. These certificates of deposit have been issued for terms ranging between 2 years and 10 years (2015: 2 years and 10 years).		
23.2	This includes unamortized transaction cost amounting to Rs. 4.48 million (2015: Nil).		
24 LONG TERM DEPOSITS			
		-----Rupees-----	
Security deposit on finance lease	24.1	8,433,242,221	6,804,332,299
Less: Repayable / adjustable within 12 months	31	2,304,812,309	1,566,589,081
		6,128,429,912	5,237,743,218
Others		-	1,025,000
		6,128,429,912	5,238,768,218
24.1	These represent deposits received from lessees under finance lease contracts, adjustable at the expiry of the lease periods.		

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

25 DEFERRED TAXATION	Note	2016	2015
		-----Rupees-----	
The deferred tax liability is attributable to the following items:			
- Accelerated tax depreciation		542,832,132	948,250,235
- Surplus on revaluation of office building	21	11,299,894	9,746,860
- Unamortised transaction costs relating to long term finances and loans		5,856,873	11,026,049
- Unrealised gain on investment		806,131	11,418,181
- Share of profit of associates		334,292,123	355,782,300
- Allowance for potential loan losses		(136,617,778)	(173,686,925)
- Tax losses		(282,019,391)	(708,821,434)
		476,449,984	453,715,266
<hr/>			
26 OTHER LONG TERM LIABILITIES			
Profit on certificates of deposit	26.1	258,983,005	268,234,514
<hr/>			
26.1 This represent profit on Certificates of Deposit payable on maturity.			
<hr/>			
27 TRADE AND OTHER PAYABLES			
Creditors		330,768,707	374,980,738
Accrued liabilities		122,383,835	97,121,041
<hr/>			
Other liabilities			
Advance from customers against finance lease and Ijarah finance		44,892,545	42,286,202
Insurance payable		72,937,121	49,836,268
Unclaimed dividend		16,689,149	7,241,495
Worker's Welfare Fund		83,524,549	42,720,352
Payable to minority shareholders of SCLL		128,685,164	-
Others		10,643,733	9,058,551
Fair value of hedging instrument		-	17,857,389
		357,372,261	169,000,257
		810,524,803	641,102,036
<hr/>			
28 ACCRUED INTEREST / MARK-UP ON LOANS, FINANCES AND CERTIFICATES OF DEPOSIT			
Interest / mark-up / profit on			
Long term finances		154,889,497	152,380,390
Long term loans		-	19,973,394
Short term borrowings		22,163,015	13,959,012
Certificates of deposit		218,981,573	132,663,877
		396,034,085	318,976,673

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

29 SHORT TERM BORROWINGS	Note	2016	2015
-----Rupees-----			
From Banking Companies			
Running finance arrangements - secured	29.1	809,208,372	884,301,394
Short term loans - secured	29.2	1,099,715,882	-
		1,908,924,254	884,301,394

29.1 The short term running finance facilities available from commercial banks amounted to Rs. 2,120 million (2015: Rs. 1,825 million). The rate of mark-up ranges between 6.75% and 7.85% (2015: 7.56% and 9.50%) on a daily product basis. These are secured by hypothecation of leased assets and related lease receivables.

29.2 Short term loan facilities totaling Rs. 2,850 million (2015: Rs. 1,750 million) from financial institutions are also available to the Company for periods ranging between 1 to 6 months on roll-over basis for a period of one year and carry mark-up at the rate of KIBOR + 0.25% to KIBOR + 1.00% (2015: KIBOR + 0.5% to KIBOR + 1.25%). These are secured by hypothecation of specific leased assets and related receivables.

30 SHORT TERM CERTIFICATES OF DEPOSIT	Note	2016	2015
-----Rupees-----			
Unsecured	30.1	2,073,044,036	944,348,226

30.1 These represent short term certificates of deposit issued at expected rates of profit, ranging between 3.5% and 7.5% (2015: 6.78% and 9.63%) per annum for terms of 3 to 12 months (2015: 1 to 12 months).

31 CURRENT MATURITY OF NON-CURRENT LIABILITIES	Note	2016	2015
-----Rupees-----			
Current maturity of			
Long term finances	22	2,959,053,788	3,294,389,094
Long term loans		-	410,870,766
Long term certificates of deposit	23	1,802,742,125	921,967,140
Long term deposits	24	2,304,812,309	1,566,589,081
		7,066,608,222	6,193,816,081

32 CONTINGENCIES AND COMMITMENTS

32.1 In November 2011, the Company received a show cause notice from the Large Taxpayers Unit of the Federal Board of Revenue (FBR) Karachi as to why Federal Excise Duty (FED) on mark-up and other income for the years ended June 30, 2008, 2009 and 2010 amounting to Rs. 1,126 million along with applicable penalty and default surcharge should not be recovered from the Company. The Company's legal advisor is of the opinion that charging of FED on mark-up based income is unlawful and accordingly the Company filed a suit before the Honorable High Court of Sindh challenging levy of FED on mark-up income. The Honorable High Court of Sindh in its order dated November 19, 2015 directed FBR to issue the notice of hearing and thereafter decide the matter. The Honorable High Court of Sindh further directed that recovery shall not be affected till the decision is made. Subsequent to the said order no notice from FBR for hearing has been received. Management, based on the merit of the case, considers that decision will be in the Company's favour. Hence no provision has been made in this regard.

32.2 The Additional Commissioner Inland Revenue (ACIR) passed an amended assessment order under section 122(5A) of the Income Tax Ordinance 2001(the Ordinance), dated July 25, 2013 for the tax year 2010 and created a demand of Rs. 313 million. Certain discrepancies were observed in the amended order, against which rectification application is pending for adjudication.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

The Company preferred an appeal against the amended assessment order dated July 25, 2013 passed by the ACIR before the Commissioner Inland Revenue (Appeals) (CIR-A). The CIR-A vide order dated March 17, 2014, disposed of the appeal with certain amendments and directed the ACIR to pass revised amended assessment order. The Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) on the issues which were decided against the Company by the CIR-A which is pending for adjudication.

The ACIR, on the direction of CIR-A vide order dated March 17, 2014, passed revised amended assessment order dated July 18, 2014 under section 122 (5A) / 124 of the Ordinance reducing the tax demand to Rs 167 million. However, the ACIR has not accepted certain issues in the revised assessment order on which the Company has also filed an appeal before the CIR-A which is pending for adjudication.

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

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

32.3 The assessments of Standard Chartered Leasing Limited (SCLL) - amalgamated entity, for the years 1998-99 to 2002-03 were finalised by the tax officer whereby lease key money amounting to Rs. 239 million have been added to the SCLL's returned income. In SCLL's appeals with the Income Tax Appellate Tribunal (ITAT), the addition was held. SCLL filed rectification application before ITAT that certain arguments advanced at the time of hearing of appeals were not considered while framing the order. The ITAT vide appellate order dated February 27, 2008 has recalled its original appellate order for all years to the extent through which the said addition of lease key money was confirmed and referred to the Chairman ITAT to constitute larger bench for rehearing / decision of the case. No provision has been made in this respect as the management is of the view that the same will be allowed.

32.4 In April 2016, the Company received a show cause notice from the Sindh Revenue Board (SRB) as to why Sindh Provincial Sales Tax (SPST) on rentals of generators on operating lease for the years ended June 30, 2012, 2013, 2014 & 2015 amounting to Rs.462 million along with applicable penalty and default surcharge should not be recovered from the Company.

The Company's Legal Advisor is of the opinion that the show cause notice claiming SPST on renting out of any movable and immovable property including generators is unlawful and SRB has no legislative competence or authority to levy SPST on renting of property including generators. The Company filed a suit before the Honorable High Court of Sindh challenging the levy of SPST on renting of generators. The Honorable High Court of Sindh has passed a Stay Order dated May 23, 2016 restricting SRB from any coercive measures against the Company.

Based on the merit of the case, the Management considers that decision will be in the Company's favour. Hence, no provision has been made in this regard.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

32.5 Leasing and ijarah contracts committed but not executed at the balance sheet date amounted to Rs 109.41 million (2015: Rs. 28 million).

33 INCOME FROM OPERATING LEASE	2016	2015
	-----Rupees-----	
Generators and Vehicles	396,474,185	546,238,148
Islamic Finance	137,919,573	117,763,525
	534,393,758	664,001,673
34 OTHER INCOME - NET		
From financial assets		
Return on investments and deposits	2,796,152	4,911,906
Interest income on government securities	110,944,947	106,874,788
Dividend income	7,727,555	566,639
Gain on bargain purchase - note 2.3	235,795,155	-
Capital gain on sale of investment	-	75,690,780
Unrealised (loss) / gain on remeasurement of financial assets at fair value through profit or loss	(4,388,339)	5,424,860
Gain on fair value hedging instruments	4,428,556	10,904,427
Exchange loss on long term borrowings	(4,428,556)	(10,904,427)
	352,875,470	193,468,973
From assets other than financial assets		
Other fees and income	78,524,362	40,246,285
Exchange (loss) / gain on dividend received	(341,945)	3,622
Documentation fee	36,996,574	34,853,353
Gain on disposal of fixed assets	10,384,755	19,917,864
Gain on sale of leased assets	23,036,198	22,350,875
Other exchange gain / (loss) - net	85,577	(116,609)
	148,685,521	117,255,390
	501,560,991	310,724,363

35 SHARE OF PROFIT OF EQUITY ACCOUNTED UNDERTAKINGS

Name of associates	2016		2015	
	Associates' profit / (loss) after tax	Share of associates' profit / (loss) after tax	Associates' profit / (loss) after tax	Share of associates' profit / (loss) after tax
Quoted				
Oman ORIX Leasing Company SAOG	1,438,168,277	167,427,237	1,340,752,555	156,086,391
Un-Quoted				
Saudi ORIX Leasing Company	2,246,438,562	43,243,943	3,160,819,805	60,845,782
Al Hail ORIX Finance PSC	(140,618,550)	(4,750,329)	785,801,133	23,574,034
ORIX Leasing Egypt SAE	136,042,992	28,243,263	150,616,994	34,641,907
	2,241,863,004	66,736,877	4,097,237,932	119,061,723
	3,680,031,281	234,164,114	5,437,990,487	275,148,114

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

	Note	2016	2015
-----Rupees-----			
36 FINANCE COST			
Interest / mark-up on			
- Long term finances		650,746,454	706,887,984
- Long term loans		10,377,462	55,131,461
- Short term borrowings		101,531,878	106,348,750
- Certificate of deposits		860,550,767	816,643,147
Amortisation of transaction costs		13,502,023	18,427,591
Bank charges and commission		29,715,437	24,249,819
		1,666,424,021	1,727,688,752
37 ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries, allowances, welfare and training	37.1	554,458,504	487,335,934
Rent and utilities		73,485,605	72,416,312
Travelling		10,821,984	14,178,698
Vehicle running and maintenance		33,646,396	39,117,820
Insurance on operating assets		8,186,195	8,989,893
Legal and professional charges		33,807,107	33,533,508
Communication		21,825,962	21,678,749
Subscriptions		2,693,865	2,333,277
Auditors' remuneration	37.3	3,288,456	2,118,865
Advertising		5,663,289	7,224,774
Printing and stationery		13,003,520	10,435,894
Depreciation	5.1.4	46,182,718	45,829,445
Amortisation	6.3	4,200,505	1,427,300
Office repairs and maintenance of equipment		30,776,494	25,492,244
Donations	37.4	6,350,000	5,091,300
Office general expenses		8,148,920	7,761,386
		856,539,520	784,965,399
37.1 Includes following employee benefits			
Defined benefit plan - gratuity fund	37.2.5	12,200,147	11,999,521
Defined contributory plan - provident fund		22,201,070	20,724,772
Compensated absences		7,202,014	7,334,193
		41,603,231	40,058,486

37.2 DEFINED BENEFIT PLAN - STAFF RETIREMENT GRATUITY

37.2.1 General description

The Company operates a funded gratuity scheme which was established under the provisions of the trust deed dated July 1, 2004 for its permanent staff who have completed the qualifying period of service under the scheme. The funded scheme is administered by the Board of Trustees in accordance with the provisions of the Trust Deed. Contributions therein are made in accordance with actuarial recommendations. The most recent valuation in this regard was carried out as at June 30, 2016, using the Projected Unit Credit Method for valuation of the scheme.

The disclosures made in notes 37.2.2 to 37.2.11 are based on the information included in the actuarial report of the Company as of June 30, 2016.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

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

	Note	2016	2015
		----- Rupees -----	
Present value of defined benefit obligation	37.2.4	156,681,763	161,024,331
Fair value of any plan assets	37.2.4	(155,218,531)	(160,175,134)
		1,463,232	849,197

37.2.3 Plan assets consist of the following:

	2016		2015	
	(Rupees)	%	(Rupees)	%
Government Securities	152,569,556	98.29%	157,043,534	98.04%
Shares of listed companies	-	0.00%	250,000	0.16%
Term deposits and cash and bank balances	2,648,975	1.71%	2,881,600	1.80%
	155,218,531	100.00%	160,175,134	100.00%

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

	2016		
	Present value of obligation	Fair value of plan assets	Total
	----- Rupees -----		
At July 1	161,024,331	(160,175,134)	849,197
Current service cost	12,811,235	-	12,811,235
Interest expense / (income)	15,059,358	(15,670,446)	(611,088)
	188,894,924	(175,845,580)	13,049,344
Remeasurements:			
- Interest on plan assets, excluding amounts included in interest expense / (income)	-	(1,238,531)	(1,238,531)
- Experience losses	2,990,578	-	2,990,578
	2,990,578	(1,238,531)	1,752,047
	191,885,502	(177,084,111)	14,801,391
Contribution	-	(13,338,159)	(13,338,159)
Benefit payments	(35,203,739)	35,203,739	-
At June 30	156,681,763	(155,218,531)	1,463,232

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

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

37.2.5 Charge for defined benefit plan	2016	2015
	-----Rupees-----	
Current service cost	12,811,235	12,478,258
Net return cost	(611,088)	(478,737)
	12,200,147	11,999,521

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

37.2.6 Principal actuarial assumptions	2016	2015
- Discount rate	9.00%	10.50%
- Expected rate of increase in salary	9.00%	10.50%
- Expected rate of return on plan assets	9.00%	10.50%
- Average service years	8.12	8.63

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

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

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	------(Rupees)-----		
Discount rate	1.0%	140,057,865	176,321,432
Salary growth rate	1.0%	176,127,333	139,916,286
		Increase by 1 year in assumption	Decrease by 1 year in assumption
		------(Rupees)-----	
Life expectancy		156,871,892	156,419,515
		Increase by 10% in assumption	Decrease by 10% in assumption
		------(Rupees)-----	
Withdrawal rate		156,227,591	157,143,936

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

37.2.9 The weighted average duration of the defined benefit obligation is 12.56 years.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

37.2.10 Historical results

	2016	2015	2014	2013	2012
	----- Rupees -----				
Present value of defined benefit obligation	156,681,763	161,024,331	135,189,600	119,719,825	107,274,477
Fair value of plan assets (Surplus)/Deficit	(155,218,531)	(160,175,134)	(131,270,153)	(90,634,056)	(88,283,364)
	1,463,232	849,197	3,919,447	29,085,769	18,991,113
Remeasurements of plan liabilities	(1,238,531)	720,795	495,591	3,097,965	(2,629,553)
Remeasurements of plan assets	2,990,578	586,481	(4,258,092)	(7,467,483)	(24,560,759)

37.2.11 Funding levels are monitored on an annual basis and are based on actuarial recommendations. Contribution for the next year works out to Rs. 12,004,786 as per the actuarial valuation report of the Company as of June 30, 2016.

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

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

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

37.3 Auditors' remuneration	Note	2016	2015		
		-----Rupees-----			
Annual audit fee		1,600,000	1,200,000		
Half yearly review fee		300,000	300,000		
Other services and certifications		830,000	310,250		
Sales tax on audit fee and other services		199,800	108,615		
Out of pocket expenses		358,656	200,000		
		3,288,456	2,118,865		
37.4 Directors or their spouses have no interest in any of the donees.					
38 DIRECT COST OF LEASE					
Court fee, stamp duty and others		16,268,256	11,134,318		
Operating lease					
Maintenance and insurance		172,735,319	225,418,322		
Depreciation - operating lease assets	5.2.3	98,622,857	162,718,388		
Depreciation - Ijarah Finance	5.3	107,753,293	91,295,084		
		379,111,469	479,431,794		
		395,379,725	490,566,112		
39 ALLOWANCE FOR POTENTIAL LEASE AND OTHER LOAN LOSSES					
2016					
	Finance leases	Finance and loans	Sub Total	Operating lease, investments and other receivables	Total
-----Rupees-----					
Balance at beginning of the year	721,375,996	387,076,506	1,108,452,502	106,057,660	1,214,510,162
Transfer from SCLL	58,278,206	-	58,278,206	1,566,543	59,844,749
Provision made during the year	243,195,782	11,537,522	254,733,304	(35,573,115)	219,160,189
Provision pertaining to discontinued operations	-	-	-	5,336,452	5,336,452
Write offs	(75,483,292)	(18,120,561)	(93,603,853)	(2,488,414)	(96,092,267)
	947,366,692	380,493,467	1,327,860,159	74,899,126	1,402,759,285
2015					
	Finance leases	Finance and loans	Sub Total	Operating lease, investments and other receivables	Total
-----Rupees-----					
Balance at beginning of the year	759,020,567	379,070,490	1,138,091,057	97,021,749	1,235,112,806
Provision made during the year	103,743,853	17,931,123	121,674,976	19,376,975	141,051,951
Provision pertaining to discontinued operations	-	-	-	5,895,366	5,895,366
Write offs	(141,388,424)	(9,925,107)	(151,313,531)	(16,236,430)	(167,549,961)
	721,375,996	387,076,506	1,108,452,502	106,057,660	1,214,510,162

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

	Note	2016	2015
		-----Rupees-----	
39.1	Provision against finances and loans		
	Long term finances and loans	256,064,967	250,264,467
	Short term finances and loans	124,428,500	136,812,039
		380,493,467	387,076,506
39.2	Provision against other receivables and investments		
	Impairment on equity accounted undertaking	-	16,443,654
	Other receivables	65,196,721	77,305,067
	Short term investments	8,000,527	9,043,312
	Long term investments	1,701,878	3,265,627
		74,899,126	106,057,660
		2016	2015
		-----Rupees-----	
40	OTHER PROVISIONS - NET		
	Operating lease, investments and other receivables		
	(Reversal) / Provision for other receivables	(16,522,927)	20,976,448
	Reversal of potential losses on investments	(2,606,534)	(1,599,473)
	Reversal of provision on equity accounted undertaking	(16,443,654)	-
		(35,573,115)	19,376,975
	Impairment		
	Impairment on available for sale securities	-	3,114,225
	Reversal of impairment on equity accounted undertaking	(24,095,384)	-
	Others		
	Provision for workers welfare fund	20,000,000	17,500,000
		(39,668,499)	39,991,200

41 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2016		
	Chief Executive	Executives	Total
----- Rupees -----			
Managerial remuneration and allowances	25,516,530	201,055,052	226,571,582
House rent and utilities	6,874,920	59,998,145	66,873,065
Retirement benefits	2,258,158	23,925,293	26,183,451
	34,649,608	284,978,490	319,628,098
Number of persons	2	105	107

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

	2015		
	Chief Executive	Executives	Total
	----- Rupees -----		
Managerial remuneration and allowances	21,814,650	166,380,847	188,195,497
House rent and utilities	6,237,600	50,945,139	57,182,739
Retirement benefits	3,471,471	20,041,534	23,513,005
	31,523,721	237,367,520	268,891,241
Number of persons	1	95	96

- 41.1 Executives mean employees, other than the Chief executive and Directors, whose basic salary exceeds five hundred thousand rupees in a financial year.
- 41.2 The Chief Executive and certain Executives are also provided with / entitled to Company owned and maintained cars and other benefits in accordance with their entitlement as per Company policy.
- 41.3 Aggregate amount charged in these unconsolidated financial statements for meeting fees paid to 3 non-executive directors amounts to Rs. 1.82 million (2015: 4 non-executive Directors Rs. 0.91 million).
- 41.4 Aggregate amount charged in these financial statements for fee paid to Chairman of the Board of Directors amounts to Rs. 1 million (2015: Rs.1.2 million). The Chairman is also provided with a Company owned car.

42 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. Segment results for the Company's Micro Finance operations are also disclosed separately. Other operations, which are not deemed by management to be sufficiently significant to disclose as separate items and do not fall in to the above segment categories, are reported under "Investment in associates, loans and others".

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

Segment analysis for the year ended June 30, 2016

	Finance Lease	Operating Lease*	Investment in subsidiaries, associates, loans and others	Sub-total	Micro Finance	Total
	----- Rupees -----					
Segment revenues	2,324,490,107	652,322,691	858,220,646	3,835,033,444	150,730,861	3,985,764,305
Share of profit of equity accounted undertakings	-	-	234,164,114	234,164,114	-	234,164,114
Total segment revenue	2,324,490,107	652,322,691	1,092,384,760	4,069,197,558	150,730,861	4,219,928,419
Administrative and general expenses	286,720,166	50,383,678	1,217,094	338,320,938	57,478,743	395,799,681
Direct cost of leases	16,268,256	453,541,689	-	469,809,945	-	469,809,945
Allowance for potential lease, installment and other loan losses - net	243,195,782	-	9,041,915	252,237,697	2,495,607	254,733,304
Impairment loss on e-Business assets	-	30,003,203	-	30,003,203	-	30,003,203
Other Reversals - net	-	(16,522,927)	(43,145,572)	(59,668,499)	-	(59,668,499)
Segment result	1,778,305,903	134,917,048	1,125,271,323	3,038,494,274	90,756,511	3,129,250,785
Provision for workers welfare fund				(20,000,000)	-	(20,000,000)
Unallocated expenses				(490,395,112)	-	(490,395,112)
Result from operating activities				2,528,099,162	90,756,511	2,618,855,673
Finance cost				(1,640,511,155)	(25,912,866)	(1,666,424,021)
Provision for taxation				(210,256,002)	-	(210,256,002)
Profit for the year				677,332,005	64,843,645	742,175,650
Other information						
Segment assets	25,324,548,888	1,166,078,062	4,395,009,824	30,885,636,774	439,459,896	31,325,096,670
Investment in subsidiaries	-	-	323,510,501	323,510,501	-	323,510,501
Investment in equity accounted undertakings	-	-	2,266,192,717	2,266,192,717	-	2,266,192,717
Assets classified as held for sale	19,189,266	-	128,293,437	147,482,703	-	147,482,703
Unallocated assets				1,251,157,568	-	1,251,157,568
Total assets				34,873,980,263	439,459,896	35,313,440,159
Segment liabilities	8,433,242,221	-	-	8,433,242,221	-	8,433,242,221
Unallocated liabilities				22,709,381,421	-	22,709,381,421
Total liabilities				31,142,623,642	-	31,142,623,642
Capital expenditure	-	84,816,026	-	84,816,026	3,484,226	88,300,252
Depreciation	-	206,376,150	-	206,376,150	1,276,454	207,652,604
Unallocated						
Capital expenditure	-	-	-	52,947,396	-	52,947,396
Unallocated depreciation and amortisation	-	-	-	49,106,769	-	49,106,769

* This includes results pertaining to e-Business (Discontinued operations). Refer note 45 for details.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

Segment analysis for the year ended June 30, 2015

	Finance Lease	Operating Lease*	Investment in subsidiaries, associates, loans and others	Sub-total	Micro Finance	Total
	----- Rupees -----					
Segment revenues	2,261,355,111	899,996,716	646,206,437	3,807,558,264	126,263,718	3,933,821,982
Share of profit of equity accounted undertakings	-	-	275,148,114	275,148,114	-	275,148,114
Total segment revenue	2,261,355,111	899,996,716	921,354,551	4,082,706,378	126,263,718	4,208,970,096
Administrative and general expenses	273,273,275	75,457,934	4,324,805	353,056,014	50,899,751	403,955,765
Direct cost of leases	11,134,318	610,819,072	-	621,953,390	-	621,953,390
Allowance for potential lease, installment and other loan losses - net	103,743,853	-	17,888,950	121,632,803	42,173	121,674,976
Impairment loss on assets available for sale	-	-	3,114,225	3,114,225	-	3,114,225
Other Provisions / (Reversals)- net	-	34,575,907	(9,303,566)	25,272,341	-	25,272,341
Segment result	1,873,203,665	179,143,803	905,330,137	2,957,677,605	75,321,794	3,032,999,399
Provision for workers welfare fund				(17,500,000)	-	(17,500,000)
Unallocated expenses				(427,907,108)	-	(427,907,108)
Result from operating activities				2,512,270,497	75,321,794	2,587,592,291
Finance cost				(1,692,453,113)	(35,235,639)	(1,727,688,752)
Provision for taxation				(189,000,000)	-	(189,000,000)
Profit for the year				630,817,384	40,086,155	670,903,539
Other information						
Segment assets	20,102,572,381	1,375,712,515	3,239,977,965	24,718,262,861	386,369,930	25,104,632,791
Investment in equity accounted undertakings	-	-	2,176,352,899	2,176,352,899	-	2,176,352,899
Assets classified as held for sale	3,547,810	-	87,754,399	91,302,209	-	91,302,209
Unallocated assets				945,359,503	-	945,359,503
Total assets				27,931,277,472	386,369,930	28,317,647,402
Segment liabilities	6,804,332,299	-	37,192,637	6,841,524,936	120,299,248	6,961,824,184
Unallocated liabilities				17,806,793,882	-	17,806,793,882
Total liabilities				24,648,318,818	120,299,248	24,768,618,066
Capital expenditure	-	274,225,106	-	274,225,106	1,266,290	275,491,396
Depreciation	-	275,559,673	-	275,559,673	1,482,201	277,041,874
Unallocated Capital expenditure	-	-	-	63,774,833	-	63,774,833
Unallocated depreciation and amortisation	-	-	-	47,561,064	-	47,561,064

* This includes results pertaining to e-Business (Discontinued operations). Refer note 45 for details.

43 TRANSACTIONS WITH RELATED PARTIES

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

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

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

43.1 Terms and conditions of transactions with related parties

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

	Note	2016 -----Rupees-----	2015
ORIX Corporation, Japan			
Parent Company			
Dividend paid		183,113,276	142,421,437
Oman ORIX Leasing Company SAOG			
Associate / common directorship			
Dividend received		140,050,137	-
1,123,998 bonus shares (2015: Nil)		-	-
Consultancy fee received	43.2	-	1,284,395
BOD attendance fee		5,255,486	5,803,534
Al Hail ORIX Finance PSC			
Associate / common directorship			
Purchase of right shares		-	125,955,000
Consultancy fee received	43.2	1,566,168	-
Dividend received		17,082,198	20,691,764
Saudi ORIX Leasing Company			
Associate / common directorship			
Purchase of right shares		-	67,375,000
Dividend received		796,990	190,023
Consultancy fee received	43.2	1,992,770	491,137
BOD attendance fee		5,296,147	5,143,795
OPP (Private) Limited			
Associate / common directorship			
Rent paid for serviced apartment		-	66,700
SK Leasing JSC			
Associate / common directorship			
Dividend received		7,094,574	8,603,614
State life Insurance Corporation of Pakistan			
Common directorship			
Rent and premium payment		11,090,179	13,064,064
Sui Northern Gas Company Limited			
Common directorship			
Utilities bills payment		25,180	43,030

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

	2016	2015
	-----Rupees-----	
Related Parties		
Issuance of certificates of deposit	18,234,668	73,303,408
Redemption of certificates of deposit	34,514,244	39,271,443
Amount of profit paid	6,300,564	4,678,768
ORIX Leasing Pakistan Limited - Employees Provident Fund (OLP-EPF)		
Contribution made	22,402,844	20,831,889
ORIX Leasing Pakistan Limited - Staff Gratuity Fund (OLP-SGF)		
Contribution made	13,338,159	15,204,085
Balances		
Investment in subsidiaries	323,510,501	-
Investment in associated undertakings	2,266,192,717	2,176,352,899
Certificates of deposit held - Related parties	55,399,043	71,978,619
Accrued profit on certificates of deposit - Related parties	3,921,402	3,668,637
Loan to key management personnel outstanding	37,417,862	37,469,419
Defined benefit payable to ORIX Leasing Pakistan Limited - Staff Gratuity Fund	1,463,232	849,197
Receivable from staff retirement funds - SCLL	24,648,274	-

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

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

	2016	2015
	-----Rupees-----	
43.4 Compensation of key management personnel		
Short term employee benefits	147,848,207	120,148,590
Retirement benefits	13,014,100	12,617,166
Total compensation to key management personnel	160,862,307	132,765,756
Loan disbursement to key management personnel	10,822,063	9,774,286
Interest paid by key management personnel	2,235,701	2,294,031
Principal repaid by key management personnel	10,873,620	5,492,702

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

	2016	2015
	-----Rupees-----	
44 TAXATION		
Current tax charge for the year	188,139,153	88,795,376
Prior year taxation	4,713,385	8,396,087
Deferred	20,064,077	83,000,000
	212,916,615	180,191,463

44.1 Super tax

The Finance Act, 2015 had levied a one-time super tax at the rate of 3 percent of the taxable income for companies having taxable income of above Rs 500 million. This clause has been extended in the Finance Act, 2016 and an amount of Rs. 46.64 million has been recognised in this respect in the current tax charge.

44.2 Effective tax rate reconciliation

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

44.3 Current status of pending tax assessments

Tax Year 1999 to 2000

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

Tax Year 2010 to 2015

Under Section 114 of the Income Tax Ordinance 2001, the Company has filed the returns of income for tax years 2010 to 2015. The said returns were taken to be assessment orders passed by the Commissioner Inland Revenue on the day the said returns were filed other than tax year 2010.

Tax Year 2009-2010

Details of the assessment made by the Additional Commissioner Inland Revenue are provided in note 32.2.

- 44.4** The Finance Act, 2015 introduced income tax at the rate of 10% on undistributed reserves where such reserves of the company are in excess of its paid up capital and the company derives profits for a tax year but does not distribute requisite cash dividend within six months of the end of the said tax year. Liability in respect of such income tax, if any, is recognised when the prescribed time period for distribution of dividend expires. The Company intends to distribute cash dividend in excess of forty percent of its after tax profits (refer note 53) and accordingly no provision for tax on undistributed reserves have been made in these financial statements.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

45 (LOSS) / PROFIT AFTER TAXATION FROM DISCONTINUED OPERATIONS	Note	2016 -----Rupees-----	2015
Income from operations		117,928,933	235,995,043
Direct cost of lease	45.2	(74,430,220)	(131,387,278)
Administrative and general expenses	45.3	(29,655,273)	(46,897,474)
Impairment loss on e-business assets		(24,666,751)	-
Provision against debtors	39	(5,336,452)	(5,895,366)
Gain on disposal		509,100	-
(Loss) / profit before taxation		(15,650,663)	51,814,925
Taxation - net		2,660,613	(8,808,537)
(Loss) / profit after taxation from discontinued operations		(12,990,050)	43,006,388
45.1	<p>During the current year, the Company discontinued its e-Business segment. This business was not aligned to the Company's strategic objective of concentrating on its core leasing business. The technology available with the Company was obsolete and revenues were expected to decline unless significant additional investment was made. The assets pertaining to e-Business segment amounted to Rs 57.77 million which were sold for Rs 32 million. Total impairment / provision loss amounting to Rs 30 million has been recognized on disposal of Company's e-Business assets.</p>		
45.2 Direct cost of lease	Note	2016 -----Rupees-----	2015
Maintenance and insurance		60,407,785	109,841,077
Depreciation on operating lease assets	5.2.3	9,871,935	18,239,174
Amortisation of intangible assets	6.3	4,150,500	3,307,027
		74,430,220	131,387,278
45.3 Administrative and general expenses			
Salaries, allowances, welfare and training		13,698,236	23,716,754
Rent and utilities		8,034,952	12,524,289
Travelling		300,032	493,345
Vehicle running and maintenance		938,827	1,791,718
Insurance on operating assets		136,564	227,164
Legal and professional charges		1,500,000	-
Communication		1,481,697	2,357,773
Subscriptions		8,191	10,931
Advertising		-	204,246
Printing and stationery		298,335	473,630
Depreciation	5.1.4	1,005,163	1,786,520
Office repairs and maintenance of equipment		1,991,661	2,861,763
Office general expenses		261,615	449,341
		29,655,273	46,897,474
45.4 Cash flows of discontinued operations			
Net cash generated from operating activities		(4,554,565)	81,310,407
Net cash used in investing activities (2016 includes an inflow of Rs. 5.33 million pertaining to sale of e-Business)		(10,844,596)	(22,199,412)
		(15,399,161)	59,110,995

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

	Note	2016	2015
		-----Rupees-----	
46 OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES			
Profit before taxation		952,431,652	859,903,539
Adjustments for			
Depreciation	5.1, 5.2 & 5.3	263,435,966	319,868,611
Amortisation	6.1	8,351,005	4,734,327
Amortisation of transaction cost	36	13,502,023	18,427,591
Provision for potential lease and other loan losses - net	39	254,733,304	121,674,976
Reversal for potential losses on investments	40	(2,606,534)	(1,599,473)
Provision for workers welfare fund	40	20,000,000	17,500,000
(Reversal) / Provision for other receivables	40	(16,522,927)	20,976,448
(Reversal) of provision of equity accounted undertaking	40	(16,443,654)	-
(Reversal) of impairment of equity accounted undertaking	40	(24,095,384)	-
Impairment on available for sale securities	40	-	3,114,225
Impairment on e-Business assets	45	24,666,751	-
Provision against debtors (Discontinued operation)	45	5,336,452	5,895,366
Share of profit of equity accounted undertakings	35	(234,164,114)	(275,148,114)
Gain on hedging instruments	34	(4,428,556)	(10,904,427)
Exchange loss on long term borrowings	34	4,428,556	10,904,427
Other exchange (gain) / loss - net	34	(85,577)	116,609
Charge for defined benefit plan - gratuity fund	37.1	12,200,147	11,999,521
Unrealised loss / (gain) on remeasurement of financial assets at fair value through profit or loss	34	4,388,339	(5,424,860)
Finance cost	36	792,371,231	892,618,014
Profit on certificates of deposit	36	860,550,767	816,643,147
Dividend income	34	(7,727,555)	(566,639)
Exchange loss / (gain) on dividend received	34	341,945	(3,622)
Gain on bargain purchase	34	(235,795,155)	-
Capital gain on sale of investments	34	-	(75,690,780)
Return on investments and deposits	34	(2,796,152)	(4,911,906)
Interest income on government securities	34	(110,944,947)	(106,874,788)
Gain on disposal of fixed assets	34	(10,384,755)	(19,917,864)
		1,598,311,176	1,743,430,789
		2,550,742,828	2,603,334,328
47 CASH AND CASH EQUIVALENTS			
Cash at bank	18	332,277,922	171,964,632
Cash in hand	18	1,216,472	1,321,720
Short - term running finance facilities	29	(809,208,372)	(884,301,394)
		(475,713,978)	(711,015,042)
48 STAFF STRENGTH		2016	2015
		Number of staff	
Company's staff strength at the end of the year		429	458
Average number of employees*		445	454

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

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

49 PROVIDENT FUND RELATED DISCLOSURES

The Company operates a Staff Provident Fund for its employees. The following information is based on the financial statements of the Fund as at June 30, 2016 (unaudited) and 2015 (audited):

	2016 Unaudited	2015 Audited
	-----Rupees-----	
Size of the Fund - Total assets	361,732,105	389,915,608
Fair value of investments	352,263,048	376,509,205
	------(Percentage)-----	
Percentage of investments made	97%	97%

The cost of the above investments amounted to Rs. 332.25 million (2015: Rs 348.09 million).

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

	Unaudited 2016	Audited 2015	Unaudited 2016	Audited 2015
	-----Percentage-----		-----Rupees-----	
Cash and Bank deposits	1.31%	1.10%	4,601,639	4,136,458
Government securities				
- Treasury Bills	0.00%	10.80%	-	40,673,263
- National Savings Certificate	34.66%	25.08%	122,108,292	94,442,950
- Pakistan Investment Bonds	64.03%	62.36%	225,553,117	234,757,739
Mutual funds - listed	0.00%	0.66%	-	2,498,795
	100.00%	100.00%	352,263,048	376,509,205

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

50 FINANCIAL INSTRUMENTS BY CATEGORY

	2016				
	Loans and receivables	Held to maturity	At fair value through profit and loss	Available for sale	Total
	----- Rupees -----				
ASSETS					
Net investment in finance lease	26,271,915,580	-	-	-	26,271,915,580
Long term investments	-	433,552,335	-	-	433,552,335
Long term finances and loans	3,152,355,193	-	-	-	3,152,355,193
Short term finances	410,078,513	-	-	-	410,078,513
Accrued return on investments and term finance	97,973,744	-	-	-	97,973,744
Short term investments	-	-	610,536,907	608,440,239	1,218,977,146
Other receivables	157,358,395	-	-	-	157,358,395
Cash and bank balances	333,494,394	-	-	-	333,494,394
	30,423,175,819	433,552,335	610,536,907	608,440,239	32,075,705,300

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

	2016		
	At fair value through profit and loss	Other financial liabilities at amortised cost	Total
	----- Rupees -----		
LIABILITIES			
Long term finances	-	9,126,566,141	9,126,566,141
Certificates of deposit	-	9,749,958,827	9,749,958,827
Other long term liabilities	-	258,983,005	258,983,005
Trade and other payables	-	665,418,560	665,418,560
Accrued interest / mark-up / profit on loans, finances and certificates of deposit	-	396,034,085	396,034,085
Short term borrowings	-	1,908,924,254	1,908,924,254
	-	22,105,884,872	22,105,884,872

	2015				
	Loans and receivables	Held to maturity	At fair value through profit and loss	Available for sale	Total
	----- Rupees -----				
ASSETS					
Net investment in finance lease	20,823,948,377				20,823,948,377
Long term investments	-	14,404,648	-	-	14,404,648
Long term finances and loans	2,348,900,011	-	-	-	2,348,900,011
Short term finances	544,177,360	-	-	-	544,177,360
Accrued return on investments and term finance	74,783,699	-	-	-	74,783,699
Short term investments	-	-	482,523,845	631,419,064	1,113,942,909
Other receivables	151,818,110	-	-	-	151,818,110
Cash and bank balances	173,286,352	-	-	-	173,286,352
	24,116,913,909	14,404,648	482,523,845	631,419,064	25,245,261,466

	2015		
	At fair value through profit and loss	Other financial liabilities at amortised cost	Total
	----- Rupees -----		
LIABILITIES			
Long term finances	-	8,033,455,235	8,033,455,235
Long term Loans	-	410,870,766	410,870,766
Certificates of deposit	-	6,983,258,717	6,983,258,717
Other long term liabilities	-	268,234,514	268,234,514
Trade and other payables	-	548,853,987	548,853,987
Accrued interest / mark-up /profit on loans, finances and certificates of deposit	-	396,034,085	396,034,085
Short term borrowings	-	884,301,394	884,301,394
	-	17,525,008,698	17,525,008,698

51 FINANCIAL RISK MANAGEMENT

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

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

51.1 Market Risk

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

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

51.1.1 Currency risk

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

	2016	2015
	-----Rupees-----	
Long term loans	-	290,571,518
Foreign currency bank account	2,941,907	2,859,017
Investment in associated undertakings	2,266,192,717	2,176,352,899
Accrued interest on long term financing	-	16,079,833

The Company has major currency risk in Omani Riyal on account of investment in associated undertakings, at the reporting date, if the PKR has strengthened / weakened by 10% against Omani Riyal with all other variables held constant, pre-tax profit for the year, in the absence of effective hedge on its foreign currency assets and liabilities would have been higher / lower by an amount of Rs. 16.71 million.

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

51.1.2 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's floating interest rates long-term debt obligations and financial assets. Financial assets and financial liabilities include balances of Rs. 12,569 million (2015: Rs. 7,269 million) and Rs. 11,073 million (2015: Rs. 8,207 million) respectively, which are subject to interest rate risks. The interest rate profile of the Company's significant interest bearing financial instruments and the periods in which these will mature are as follows:

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

2016								
	Effective yield / profit rate %	Total	Upto one month	Over one month to three months	Over three months to one year	Over one year to five years	Over five years	Not exposed to yield / profit rate risk
-----Rupees-----								
On-balance sheet financial instruments								
Financial Assets								
Net investment in finance lease	7.59% - 25.00%	26,271,915,580	1,756,855,983	1,809,209,455	8,213,998,967	14,491,851,175	-	-
Long term investments	9.60% - 12.00%	433,552,335	359,971,600	-	-	73,580,735	-	-
Long term finances and loans	5.00% - 35.78%	3,152,355,193	366,764,729	252,088,640	991,560,407	1,541,941,417	-	-
Short term finances	9.50% - 35.08%	410,078,513	196,751,770	63,141,987	150,184,756	-	-	-
Accrued return on investments and term finance	-	97,973,744	-	-	-	-	-	97,973,744
Short term investments	5.81% - 11.97%	1,218,977,146	-	-	1,203,917,479	-	-	15,059,667
Other receivables	-	157,358,395	-	-	-	-	-	157,358,395
Cash and bank balances	2.60% - 5.00%	333,494,394	25,045,805	-	-	-	-	308,448,589
Total		32,075,705,300	2,705,389,887	2,124,440,082	10,559,661,609	16,107,373,327	-	578,840,395
Financial Liabilities								
Long term finances	7.07 - 7.61%	9,126,566,141	91,666,667	400,000,000	2,467,387,121	6,167,512,353	-	-
Certificates of deposit	3.5% - 15%	9,749,958,827	204,661,029	931,285,147	2,739,839,985	4,730,014,743	1,144,157,923	-
Other long term liabilities	-	258,983,005	-	-	-	-	-	258,983,005
Trade and other payables	-	665,418,560	-	-	-	-	-	665,418,560
Accrued interest / mark-up / profit on loans, finances and certificates of deposit	-	396,034,085	-	-	-	-	-	396,034,085
Short term borrowings	KIBOR 0.25% - 1.25%	1,908,924,254	-	908,924,254	1,000,000,000	-	-	-
Total		22,105,884,872	296,327,696	2,240,209,401	6,207,227,106	10,897,527,096	1,144,157,923	1,320,435,650
On-balance sheet gap		9,969,820,428	2,409,062,191	(115,769,319)	4,352,434,503	5,209,846,231	(1,144,157,923)	(741,595,255)

2015								
	Effective yield / profit rate %	Total	Upto one month	Over one month to three months	Over three months to one year	Over one year to five years	Over five years	Not exposed to yield / profit rate risk
-----Rupees-----								
On-balance sheet financial instruments								
Financial Assets								
Net investment in finance lease	11.25% - 25.00%	20,823,948,377	1,327,842,220	1,422,714,564	5,996,165,741	12,077,225,852	-	-
Long term investments	9.60%	14,404,648	-	-	-	14,404,648	-	-
Long term finances and loans	5.00% - 36.00%	2,348,900,011	344,092,390	171,780,713	703,506,069	1,129,520,839	-	-
Short term finances	10.50% - 38.00%	544,177,360	201,856,418	105,595,668	236,725,274	-	-	-
Accrued return on investments and term finance	-	74,783,699	-	-	-	-	-	74,783,699
Short term investments	6.73% - 11.97%	1,113,942,909	-	-	1,113,942,909	-	-	-
Other receivables	-	151,818,110	-	-	-	-	-	151,818,110
Cash and bank balances	3.00% - 5.50%	173,286,352	47,204,724	-	-	-	-	126,081,628
Total		25,245,261,466	1,920,995,752	1,700,090,945	8,050,339,993	13,221,151,339	-	352,683,437
Financial Liabilities								
Long term finances	7.91% - 12.23%	8,033,455,235	566,666,667	179,369,539	2,548,352,888	4,739,066,141	-	-
Long term loans	KIBOR + 1.5% / US\$ six months LIBOR + 1.5%	410,870,766	208,070,702	40,949,500	161,850,564	-	-	-
Certificates of deposit	6.78% - 15.50%	6,983,258,717	154,956,428	438,600,700	1,272,758,238	3,875,983,822	1,240,959,529	-
Other long term liabilities	-	268,234,514	-	-	-	-	-	268,234,514
Trade and other payables	-	548,853,987	-	-	-	-	-	548,853,987
Accrued interest / mark-up / profit on loans, finances and certificates of deposit	-	396,034,085	-	-	-	-	-	396,034,085
Short term borrowings	7.56% - 9.50%	884,301,394	-	-	884,301,394	-	-	-
Total		17,525,008,698	929,693,797	658,919,739	4,867,263,084	8,615,049,963	1,240,959,529	1,213,122,586
On-balance sheet gap		7,720,252,768	991,301,955	1,041,171,206	3,183,076,909	4,606,101,376	(1,240,959,529)	(860,439,149)

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

a) Sensitivity analysis for variable rate financial instruments

Presently, the Company does not hold any variable rate financial instrument carried at 'fair value through profit or loss' and is not exposed to cash flow interest rate risk except for balances in certain saving accounts. The interest rate of these bank accounts ranges from 2.60% to 5.00%. (2015: 3.00% to 5.50%).

b) Sensitivity analysis for fixed rate financial instruments

As at June 30, 2016, the Company holds market treasury bills and Pakistan Investment Bonds which are classified as 'financial assets at fair value through profit or loss' and 'available for sale' respectively, exposing the Company to fair value interest rate risk. In case of 100 basis points increase in rates announced by the Financial Markets Association of Pakistan for market treasury bills and Pakistan Investment Bonds with all other variables held constant, the net income for the year and net assets of the Company would have been lower by Rs. 2.12 million. In case of 100 basis points decrease in those rates, the net income for the year and net assets of the Company would have been higher by Rs. 2.14 million.

51.1.3 Other Price Risk

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

Other price risk arises when the Company has made investment in shares of listed companies or mutual funds. Currently, the Company does not hold such investment. However, the Company has adopted a policy to diversify its portfolio and continuously monitor developments in markets. In addition the Company actively monitors the key factors that affect stock price movement.

51.2 Credit risk

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

All investing transactions are settled / paid for upon delivery. The Company's policy is to enter into financial instrument contracts 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. 35,312 million (2015: Rs. 28,317 million) the assets which were subject to credit risk amounted to Rs. 30,458 million (2015: Rs. 24,164 million). Significant concentrations of the Company's risk assets by industry sector and geographical region are set out in notes 51.2.1 to 51.2.3.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

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

	2016	2015
	-----Rupees-----	
Net investment in finance lease	26,271,915,580	20,823,948,377
Long term finances and loans	3,152,355,193	2,348,900,011
Short term finances	410,078,513	544,177,360
Long term investments	1,701,878	3,265,627
Accrued return on investments and term finance	97,973,744	74,783,699
Short term investments	23,060,194	35,320,358
Other receivables	157,358,395	151,818,110
Long term deposits	11,361,208	10,048,864
Bank balances	332,277,922	171,964,632
	30,458,082,627	24,164,227,038

The Company monitors the credit quality of receivables through diversification of activities to avoid undue concentration of risks with individuals, groups or specific industry segments. For such purpose, the Company has established exposure limits for single lessees and industrial sectors. The Company has an effective rental monitoring system which allows it to evaluate customers' credit worthiness and identify potential problem accounts. An allowance for potential lease, installment and other loan losses is maintained at a level which, in the judgment of management, is adequate to provide for potential losses on lease, 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 receivables which are past due are as under:

	2016			
	Finance Lease (Net of Security Deposit)	Finance & Loan	Investment & Other receivables	Total
	-----Rupees-----			
90 - 180 days	96,312,316	16,272,121	10,693,464	123,277,901
181 - 365 days	86,625,093	11,006,855	5,295,375	102,927,323
Over 1 Year	601,125,194	353,214,491	57,510,287	1,011,849,972
	784,062,603	380,493,467	73,499,126	1,238,055,196
Watch list clients	163,304,089	-	1,400,000	164,704,089
	947,366,692	380,493,467	74,899,126	1,402,759,285
Less: Provision	947,366,692	380,493,467	74,899,126	1,402,759,285
Net of Provision	-	-	-	-
Coverage Ratio	100.00%	100.00%	100.00%	100.00%

	2015			
	Finance Lease (Net of Security Deposit)	Finance & Loan	Investment & Other receivables	Total
	-----Rupees-----			
90 - 180 days	74,714,000	24,548,688	17,321,720	116,584,408
181 - 365 days	17,462,000	514,272	18,594,730	36,571,002
Over 1 Year	581,241,758	352,790,740	70,141,210	1,004,173,708
	673,417,758	377,853,700	106,057,660	1,157,329,118
Watch list clients	47,958,238	9,222,806	-	57,181,044
	721,375,996	387,076,506	106,057,660	1,214,510,162
Less: Provision	721,375,996	387,076,506	106,057,660	1,214,510,162
Net of Provision	-	-	-	-
Coverage Ratio	100.00%	100.00%	100.00%	100.00%

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

The Company has made appropriate provisions in respect of these past due receivables. The provisions have been made keeping in view the time based criteria of the NBFC Regulations. In addition, the Company has also maintained additional provisions of Rs. 447.97 million on a prudent basis, in view of the prevailing economic conditions.

The Company has adequate provision of Rs. 1,403 million (2015: Rs. 1,215 million) against these past dues.

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

The analysis below summarises the credit rating quality of the Company's net financial assets as at June 30, 2016:

	2016	2015
	-----Rupees-----	
Bank balances		
AAA	298,355,536	50,623,182
AA+	13,957,554	101,376,976
AA	451,490	108,592
AA-	122,972	323,435
A+	18,219,297	18,360,397
A	65,092	64,535
A-	341,609	341,609
A1	262,241	-
A2	-	234,094
A3	-	266,221
State bank of Pakistan	502,131	265,591
	332,277,922	171,964,632
Term Finance Certificates - listed		
AA+	-	10,991,520

51.2.1 Segment by class of business

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

Sectors	2016		2015	
	(Rupees)	%	(Rupees)	%
Goods Transport	5,220,592,811	17.57%	3,033,431,207	12.84%
Individuals (Auto Lease)	5,014,927,443	16.87%	4,771,283,302	20.20%
Services	3,817,101,676	12.84%	2,876,674,575	12.18%
Textile & Allied	1,872,187,539	6.30%	1,718,009,173	7.27%
Public Transport	2,102,906,241	7.08%	1,605,893,494	6.80%
Distributor	2,575,222,898	8.67%	1,462,718,782	6.19%
Miscellaneous	1,561,745,276	5.25%	1,335,284,472	5.65%
Fuel & Energy	777,358,104	2.62%	1,251,279,232	5.30%
Trading	748,851,360	2.52%	1,190,471,436	5.04%
Food & Allied	1,122,469,722	3.78%	863,706,741	3.66%
Steel & Engineering	1,095,982,910	3.69%	958,370,556	4.06%
Chemical & Pharmaceutical	1,075,064,318	3.62%	485,419,681	2.06%
Construction	818,275,577	2.75%	526,274,923	2.23%
Paper, Board & Printing	587,530,175	1.98%	542,686,323	2.30%
Glass, Ceramics & Plastic	585,415,972	1.96%	419,863,943	1.78%
Sugar	514,407,550	1.73%	335,979,550	1.42%
Cables, Electric And Electronic Goods	229,386,408	0.77%	240,179,467	1.02%
	29,719,425,980	100.00%	23,617,526,857	100.00%

Notes to and Forming Part of the Unconsolidated Financial Statements

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	2016	2015
	-----Rupees-----	
Net investment in finance leases	26,271,915,580	20,823,948,377
Other advances	3,447,510,400	2,793,578,480
	29,719,425,980	23,617,526,857

51.2.2 Segment by sector

The Company's net investment in finance lease include exposure to Government / Public sector amounted to Rs. Nil million (2015: Rs. 5.27 million) and the balance Rs. 26,272 million (2015:Rs. 20,824 million) represents exposure to private sector.

51.2.3 Geographical segment analysis

The Company's operations are restricted to Pakistan only.

51.3 Liquidity Risk

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

The table below summarises the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2016				
	Carrying amount	Contractual cash flows	Upto three months	More than three months and upto one year	More than one year
	------(Rupees)-----				
Long term finances	9,126,566,141	10,189,076,377	653,492,337	2,851,858,069	6,683,725,971
Certificates of deposit	9,749,958,827	12,289,868,186	508,634,932	3,535,692,298	8,245,540,956
Trade and other payables	665,418,560	665,118,560	665,118,560	-	-
Accrued interest / mark-up /profit on loans, finances and certificates of deposit	655,017,090	655,017,090	132,011,362	264,022,723	258,983,005
Short term borrowings	1,908,924,254	2,110,824,189	1,077,624,189	1,033,200,000	-
	22,105,884,872	25,909,904,402	3,036,881,380	7,684,773,090	15,188,249,932

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

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

51.4 Fair values of financial assets and liabilities

The fair value of investments classified as “at fair value through profit or loss” and “available for sale” are based on active market. The investment in associates are accounted for using the equity method while the subsidiaries have been kept at cost. The value of unquoted equity investments is reduced, if required, on the basis of break-up value of those investments based on the latest available audited financial statements.

Fair value of net investments in finance lease, long term loans and finances, long term deposits and other assets, other liabilities, long term certificate of deposits and other accounts are approximate to their carrying value. The provision for impairment of finance lease and long term loans and finances has been calculated in accordance with the Company’s accounting policy and the requirements of the Non Banking Finance Companies and Notified Entities Regulations, 2008.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these assets and liabilities are short term in nature.

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

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

2016			
Level 1	Level 2	Level 3	Total
(Rupees)			

RECURRING FAIR VALUE MEASUREMENTS

Financial assets

Investments - Net

Available for sale securities

Pakistan Investment Bond (PIBs)	-	593,380,572	-	593,380,572
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Fair value through profit or loss

Treasury bills	-	610,536,907	-	610,536,907
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Non-financial assets

Property, plant and equipment (Leasehold land & building)	-	432,246,647	-	432,246,647
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Total	-	1,636,164,126	-	1,636,164,126
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Investment in associates (Oman ORIX Leasing Company SAOG) have market value of Rs. 898.48 million as disclosed in note 9.1.2 to these unconsolidated financial statements which falls valued under level 1. However, these are carried under equity method of accounting in the financial statements in accordance with the Company’s accounting policy.

Notes to and Forming Part of the Unconsolidated Financial Statements

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Item	Valuation approach and input used
PIBs T-Bills	The fair value of PIBs and T-Bills are derived using PKRV rates. The PKRV rates are announced by the Financial Market Association (FMA) through Reuters. The rates announced are simple average of quotes received from 8 different pre-defined / approved dealers / brokers.
Property, plant and equipment (Leasehold land & building)	The revaluation by the valuer is carried on the basis of professional assessment of present market values.

51.5 Capital risk management

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

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

As required under the NBFC Regulations, every leasing company involved in deposit taking shall maintain minimum equity requirement of Rs. 500 million at all times. The Company has maintained and complied with the minimum equity requirement during the current year.

	2016	2015
52 EARNINGS PER SHARE - basic and diluted		
Profit from continuing operations for the period	755,165,700	627,897,151
(Loss) / Profit from discontinued operations for the period	(12,990,050)	43,006,388
Profit after tax	742,175,650	670,903,539
Weighted average number of ordinary shares	82,052,930	82,052,930
Earnings per share - basic and diluted		
- From continuing operations	9.20	7.65
- From discontinued operations	(0.16)	0.53
- Total	9.04	8.18

52.1 Diluted earnings per share has not been presented separately as the Company does not have any convertible instruments in issue at June 30, 2016 and June 30, 2015 which would have any effect on the earnings per share if the option to convert is exercised.

53 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on September 29, 16 proposed a final dividend of Rs. 4.5 per share (2015: Rs. 4.5 per share) for the year ended June 30, 2016, amounting to Rs. 369,372,573 (2015: Rs. 369,238,185) for approval of members at the Annual General Meeting to be held on October 29, 2016. The unconsolidated financial statements for the year ended June 30, 2016 do not include the effect of the proposed dividend which will be accounted for in the financial statements for the year ending June 30, 2017.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2016

54 COMPARATIVES

Comparative information has been reclassified, rearranged, additionally incorporated in these unconsolidated financial statements for the purposes of better presentation. 'Profit and loss account' of e-Business has been represented as discontinued operations and comparative information has been rearranged accordingly. There were no other major reclassifications during the year.

55 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on September 29, 2016 by the Board of Directors of the Company.



Shaheen Amin
Chief Executive



Khalid Aziz Mirza
Chairman

Directors Report on Consolidated Financial Statements

The Directors of ORIX Leasing Pakistan Limited (OLP) are pleased in presenting their report together with the audited consolidated financial statements of the Group for the year ended June 30, 2016. The Group comprises of:

- ORIX Leasing Pakistan Limited (OLP) -The Holding Company
- ORIX Modaraba (formerly Standard Chartered Modaraba) - Subsidiary Company.
- ORIX Services Pakistan (Private) Limited (formerly Standard Chartered Services of Pakistan (Private) Limited) - Subsidiary Company

The Directors' Report giving commentary on the performance of OLP for the year ended June 30, 2016 has been presented separately on page 54, which contains the business review, operational performance of OLP, acquisition of subsidiary Companies, future prospects and other requisite information. The contents of the said report shall be read along with this report and shall form an integral part of the Director's Report in terms of section 236 of the Companies Ordinance, 1984 and the requirements of the Code of Corporate Governance under the Rule book of the Stock Exchange.

ACQUISITION OF SUBSIDIARIES:

In September 2015, OLP entered into a share and certificate purchase agreement with Standard Chartered Bank (Pakistan) Limited (the Bank) with regard to the acquisition of the Bank's stake in Standard Chartered Services of Pakistan (Private) Limited (the Management Company) and Standard Chartered Modaraba.

The Securities and Exchange Commission of Pakistan (SECP) approved this acquisition on March 28, 2016.

Subsequently, on June 20, 2016 OLP acquired 100% shareholding (4,450,000 shares) in Standard Chartered Services of Pakistan (Private) Limited (SCSPL) - management Company of Standard Chartered Modaraba (SCM). SCSPL, which holds 4,538,353 Modaraba certificates in SCM, became a subsidiary of the Company as at the aforementioned date and its name has been changed to ORIX Services Pakistan (Private) Limited (OSP) subsequent to year end.

OLP has acquired 10% holding (4,538,353 certificates) in Standard Chartered Modaraba on June 20, 2016. Since, the Company holds 100% shareholding in the Modaraba Management Company, therefore, Standard Chartered Modaraba has also become a subsidiary of the Company as at the aforementioned date. The name of Standard Chartered Modaraba has been changed to ORIX Modaraba (OM) subsequent to the year end.

GROUP RESULTS

The consolidated financial results of the Group are summarized below

Description	Amount in Rupees
Profit before taxation from continuing operation	967,571,025
Taxation	212,916,895
Profit from continuing operations	754,654,130
Loss after taxation from discontinued operations	(12,990,050)
Profit for the year	741,664,080
Profit attributable to Equity Shareholders	741,518,548
Profit attributable to non-controlling interest	145,532
EPS – Continuing operations	9.20
LPS – discontinued operations	(0.16)
EPS – Net	9.04

Directors Report on Consolidated Financial Statements

PATTERN OF SHAREHOLDING:

The pattern of shareholding and related information as at June 30, 2016 is presented at page 217.

FINANCIAL AND OPERATIONAL PERFORMANCE BASED ON CONSOLIDATED FINANCIAL STATEMENTS:

Consolidated profit after tax and EPS for the Group for FY-16 stood at Rs. 741.66 million and Rs. 9.04 per share respectively. Profit and (Loss) from subsidiaries OM and OSP amounted to Rs. 181,915 and (Rs. 693,485) respectively. The said profit and loss represent figures for last 10 days of the fiscal year i.e from the date of acquisition (June 20, 2016) till fiscal year end June 30, 2016. Out of the total profit of OM, 80% Rs.145,532/- is attributable to non-controlling interest.

Since this was the first year of consolidated financials therefore comparative figures has not been presented as they are similar to unconsolidated financial statements.

On Behalf of the Board.



Shaheen Amin
Chief Executive Officer
September 29, 2016

Consolidated Vertical Analysis

Balance Sheet and Profit and loss

	2016 Rupees	Rupees. in million 2016 %
BALANCE SHEET		
ASSETS		
Non-current assets		
Property, plant and equipment	5,434	13.47%
Intangible assets	56	0.14%
Net investment in finance leases	13,544	33.57%
Investment in associated undertakings	2,266	5.62%
Long term investments	87	0.22%
Long term finances and loans	2,315	5.74%
Long term deposits	11	0.03%
	23,715	58.78%
Current assets		
Short term finances	286	0.71%
Accrued return on investments and term finances	106	0.26%
Current maturity of non-current assets	13,920	34.50%
Short term investments	1,219	3.02%
Advances and prepayments	75	0.19%
Other receivables	186	0.46%
Cash and bank balances	613	1.52%
Taxation - net	75	0.19%
Net investment in Ijarah finance	0,370	0.00%
Assets classified as held for sale	147	0.37%
	16,628	41.22%
Total assets	40,343	100.00%
EQUITY AND LIABILITIES		
Share capital and reserves		
Issued, subscribed and paid-up capital	821	2.03%
Reserves	1,654	4.10%
Unappropriated profit	1,373	3.40%
Share capital and reserves	3,847	9.54%
Non-controlling interest	941	2.33%
Surplus on revaluation of leasehold land and office building	323	0.80%
Non-current liabilities		
Long term finances	6,298	15.61%
Long term certificates of deposit	5,874	14.56%
Long term deposits	6,592	16.34%
Deferred taxation	476	1.18%
Other long term liabilities	259	0.64%
Post-employment benefits	1	0.00%
Redeemable capital	683	1.69%
	20,185	50.03%
Current liabilities		
Trade and other payables	1,076	2.67%
Accrued interest on loans, term finances and CODs	440	1.09%
Short term borrowings	1,919	4.76%
Short term certificates of deposit	2,073	5.14%
Current maturity of non-current liabilities	9,540	23.65%
	15,047	37.30%
Total equity and liabilities	40,343	100.00%
PROFIT AND LOSS		
INCOME		
Income from operations		
Finance lease	2,324	56.06%
Operating lease	574	13.84%
Mark-up on term / factoring finance	509	12.30%
	3,408	82.20%
Income from other operating activities		
Other income - net	504	12.15%
Share of profit of equity accounted undertakings	234	5.65%
	738	17.80%
Total Income	4,146	100.00%
EXPENSES		
Finance costs	1,674	40.37%
Administrative and general expenses	863	20.81%
Direct cost of leases	427	10.30%
	2,964	71.48%
Profit before provision and taxes	1,182	28.52%
Provisions and impairment		
Allowance for potential lease and loan losses	255	6.14%
Other (reversal) / provisions net	(40)	-0.96%
	215	5.19%
Profit before tax from continuing operations	967	23.33%
Taxation	213	5.13%
Profit from continuing operations	754	18.20%
DISCONTINUED OPERATIONS		
(Loss) / profit after taxation from discontinued operations	(13)	-0.31%
Profit for the year	741	17.88%

Consolidated Horizontal Analysis

Balance Sheet and Profit and loss

	2016 Rupees	Rupees. in million 2016 vs 2015 %
BALANCE SHEET		
ASSETS		
Non-current assets		
Property, plant and equipment	5,434	208.45%
Intangible assets	56	553.76%
Net investment in finance leases	13,544	19.27%
Investment in associated undertakings	2,266	4.13%
Long term investments	87	502.17%
Long term finances and loans	2,315	163.34%
Long term deposits	11	13.06%
	23,715	46.33%
Current assets		
Short term finances	286	-29.88%
Accrued return on investments and term finances	106	41.31%
Current maturity of non-current assets	13,920	39.68%
Short term investments	1,219	10.22%
Advances and prepayments	75	60.28%
Other receivables	186	149.82%
Cash and bank balances	613	253.98%
Taxation - net	75	-56.19%
Net investment in Ijarah finance	0,370	100.00%
Assets classified as held for sale	147	61.53%
	16,628	37.29%
Total assets	40,343	42.47%
EQUITY AND LIABILITIES		
Share capital and reserves		
Issued, subscribed and paid-up capital	821	0.04%
Reserves	1,654	-36.79%
Unappropriated profit	1,373	100.00%
Share capital and reserves	3,847	11.94%
Non-controlling interest	941	100.00%
Surplus on revaluation of leasehold land and office building	323	188.38%
Non-current liabilities		
Long term finances	6,298	33.78%
Long term certificates of deposit	5,874	14.80%
Long term deposits	6,592	25.84%
Deferred taxation	476	5.01%
Other long term liabilities	259	-3.45%
Post-employment benefits	1,46	72.31%
Redeemable capital	683	100.00%
	20,185	27.86%
Current liabilities		
Trade and other payables	1,076	67.80%
Accrued interest on loans, term finances and CODs	440	38.02%
Short term borrowings	1,919	116.96%
Short term certificates of deposit	2,073	119.52%
Current maturity of non-current liabilities	9,540	54.02%
	15,047	67.52%
Total equity and liabilities	40,343	42.47%
Profit and Loss		
INCOME		
Income from operations		
Finance lease	2,324	2.79%
Operating lease	574	-13.55%
Mark-up on term / factoring finance	509	10.41%
	3,408	0.63%
Income from other operating activities		
Other income - net	504	62.20%
Share of profit of equity accounted undertakings	234	-14.90%
	738	25.99%
Total Income	4,146	4.37%
EXPENSES		
Finance costs	1,674	-3.11%
Administrative and general expenses	863	9.94%
Direct cost of leases	427	-12.96%
	2,964	-1.31%
Profit before provision and taxes	1,182	21.93%
Provisions and impairment		
Allowance for potential lease and loan losses	255	109.36%
Other (reversal) / provisions net	(40)	0.81%
	215	33.03%
Profit before tax from continuing operations	967	19.71%
Taxation	213	18.16%
Profit from continuing operations	754	20.16%
DISCONTINUED OPERATIONS		
(Loss) / profit after taxation from discontinued operations	(13)	-69.80%
Profit for the year	741	10.52%



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Auditors' Report to the Members on Consolidated Financial Statements

We have audited the annexed consolidated financial statements comprising consolidated Balance Sheet of ORIX Leasing Pakistan Limited (the Holding Company) and its subsidiary companies as at June 30, 2016 and the related consolidated Profit and Loss Account, consolidated Statement of Comprehensive Income, consolidated Cash Flow Statement and consolidated Statement of Changes in Equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinions on the financial statements of the Holding Company and ORIX Services Pakistan (Private) Limited (formerly Standard Chartered Services of Pakistan (Private) Limited), whereas the financial statements of ORIX Modaraba (formerly Standard Chartered Modaraba) have been audited by another firm of auditors whose report has been furnished to us and our opinion, in so far as it relates to the amounts included for ORIX Modaraba (formerly Standard Chartered Modaraba), is based solely on the report of such other auditor. These consolidated financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of ORIX Leasing Pakistan Limited and its subsidiary companies as at June 30, 2016 and the results of their operations for the year then ended.

Chartered Accountants
Engagement Partner: Rashid A. Jafer
Dated: September 30, 2016
Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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■ KARACHI ■ LAHORE ■ ISLAMABAD

Consolidated Balance Sheet

As at June 30, 2016

	Note	2016	2015
-----Rupees-----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	5,434,316,971	1,761,811,476
Intangible assets	6	56,428,695	8,631,456
Net investment in finance lease	7	26,271,915,580	20,823,948,377
Current maturity	13	(11,780,064,405)	(8,746,722,525)
Allowance for potential lease losses	40	(947,366,692)	(721,375,996)
		(12,727,431,097)	(9,468,098,521)
		13,544,484,483	11,355,849,856
Investment in associated undertakings	8	2,266,192,717	2,176,352,899
Long term investments	9	86,741,035	14,404,648
Long term finances and loans	10	2,315,424,195	879,256,372
Long term deposits		11,361,208	10,048,864
		23,714,949,304	16,206,355,571
Current assets			
Short term finances	11	285,650,013	407,365,321
Accrued return on investments and term finance	12	105,673,893	74,783,699
Current maturity of non-current assets	13	13,920,248,717	9,966,101,697
Short term investments	14	1,218,977,146	1,105,942,382
Advances and prepayments	15	75,310,426	46,986,270
Other receivables	16	186,151,040	74,513,043
Cash and bank balances	17	613,400,045	173,286,352
Taxation - net		74,921,494	171,010,858
Net investment in Ijarah finance	18	370,000	-
		16,480,702,774	12,019,989,622
Assets classified as held for sale	19	147,482,703	91,302,209
Total assets		40,343,134,781	28,317,647,402
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
350,000,000 (2015: 350,000,000) Ordinary shares of Rs. 10 each		3,500,000,000	3,500,000,000
Issued, subscribed and paid-up capital	20	820,827,940	820,529,300
Reserves		1,653,935,802	2,616,491,028
Unappropriated profit		1,372,653,691	-
Total equity attributable to equity holder of the Holding Company		3,847,417,433	3,437,020,328
Non-controlling interest		940,945,746	-
		4,788,363,179	3,437,020,328
Surplus on revaluation of leasehold land and office building (net of taxation)	21	323,006,602	112,009,008
Non-current liabilities			
Long term finances	22	6,297,989,443	4,707,563,110
Long term certificates of deposit	23	5,874,172,666	5,116,943,351
Long term deposits	24	6,592,206,800	5,238,768,218
Deferred taxation	25	476,449,984	453,715,266
Other long term liabilities	26	258,983,005	268,234,514
Post-employment benefits	38.2.2	1,463,232	849,197
Redeemable capital	27	683,280,000	-
		20,184,545,130	15,786,073,656
Current liabilities			
Trade and other payables	28	1,075,742,824	641,102,036
Accrued interest / mark-up on loans, finances and certificates of deposit	29	440,256,946	318,976,673
Short term borrowings	30	1,918,586,604	884,301,394
Short term certificates of deposit	31	2,073,044,036	944,348,226
Current maturity of non-current liabilities	32	9,539,589,460	6,193,816,081
		15,047,219,870	8,982,544,410
Total equity and liabilities		40,343,134,781	28,317,647,402
Contingencies and commitments	33		

The annexed notes 1 to 56 form an integral part of these consolidated financial statements.


Shaheen Amin
 Chief Executive


Khalid Aziz Mirza
 Chairman

Consolidated Profit And Loss Account

For the year ended June 30, 2016

	Note	2016	2015
-----Rupees-----			
CONTINUING OPERATIONS			
INCOME			
Income from operations			
Finance leases		2,324,490,107	2,261,355,111
Operating leases	34	574,384,650	664,001,673
Mark-up on term finance		509,808,947	461,745,792
		3,408,683,704	3,387,102,576
Income from other activities			
Other income - net	35	503,998,467	310,724,363
Share of profit of equity accounted undertakings	36	234,164,114	275,148,114
		738,162,581	585,872,477
		4,146,846,285	3,972,975,053
EXPENSES			
Finance cost	37	1,674,482,725	1,727,688,752
Administrative and general expenses	38	862,642,879	784,965,399
Direct cost of lease	39	427,083,108	490,566,112
		2,964,208,712	3,003,220,263
Profit before provision and taxation		1,182,637,573	969,754,790
Allowance for potential lease and other loan losses - net	40	254,733,304	121,674,976
Other (reversals) / provisions - net	41	(39,666,756)	39,991,200
		215,066,548	161,666,176
Profit before taxation from continuing operations		967,571,025	808,088,614
Taxation	45	212,916,895	180,191,463
Profit from continuing operations		754,654,130	627,897,151
DISCONTINUED OPERATIONS			
(Loss) / profit after taxation from discontinued operations	46	(12,990,050)	43,006,388
Profit for the year		741,664,080	670,903,539
Profit attributable to			
Equity shareholders of the Holding Company		741,518,548	670,903,539
Non-controlling interest		145,532	-
		741,664,080	670,903,539
Earnings per share - basic and diluted			
- From continuing operations	53	9.20	7.65
- From discontinued operations	53	(0.16)	0.53
Total		9.04	8.18

The annexed notes 1 to 56 form an integral part of these consolidated financial statements.



Shaheen Amin
Chief Executive



Khalid Aziz Mirza
Chairman

Consolidated Statement of Comprehensive Income

For the year ended June 30, 2016

	Note	2016 -----Rupees-----	2015 -----Rupees-----
Profit after tax for the year attributable to:			
Equity shareholders of the Holding Company		741,518,548	670,903,539
Non-controlling interest		145,532	-
		741,664,080	670,903,539
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Exchange difference arising on translation of foreign associates - net of deferred tax		26,785,040	26,702,650
Unrealised gain / (loss) due to change in fair value of available for sale securities - net Equity shareholders of the Holding Company		(25,274,121)	25,088,542
Unrealised gain due to sale of available for sale securities transferred to profit and loss account		-	(10,375,284)
Net unrealised loss on revaluation of investments classified as available for sale transferred to profit and loss account as impairment loss		-	3,114,225
		(25,274,121)	17,827,483
Net gain on cash flow hedging instruments		35,031,846	23,058,707
		36,542,765	67,588,840
Items that will not be reclassified to profit and loss			
Remeasurements of post employment benefit	38.2.4	(1,752,047)	(134,314)
Total comprehensive income for the year		776,454,798	738,358,065
Equity shareholders of the Holding Company		776,309,266	738,358,065
Non-controlling interest		145,532	-
		776,454,798	738,358,065

The annexed notes 1 to 56 form an integral part of these consolidated financial statements.



Shaheen Amin
Chief Executive



Khalid Aziz Mirza
Chairman

Consolidated Cash Flow Statement

For the year ended June 30, 2016

	Note	2016	2015
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit before working capital changes	47	2,588,835,706	2,603,334,328
(Increase) / decrease in operating assets			
Investment in finance lease - net		(2,102,165,404)	(3,190,671,815)
Long term finances and loans - net		(816,882,184)	(151,358,154)
Short term finances		109,292,175	(93,789,806)
Long term deposits		(1,199,844)	100,839
Advances and prepayments		70,370,075	772,512
Other receivables		(110,689,540)	(14,664,806)
		(2,851,274,722)	(3,449,611,230)
Increase / (decrease) in operating liabilities			
Deposits from lessees - net		621,739,222	941,014,855
Mark-up paid		(844,682,881)	(891,267,782)
Payment against staff retirement benefits		(13,338,159)	(15,204,085)
Profit paid on certificates of deposit		(820,601,959)	(932,099,617)
Trade and other payables		(403,242,795)	132,139,098
		(1,460,126,572)	(765,417,531)
Net cash used in operating activities before income tax		(1,722,565,588)	(1,611,694,433)
Payment of Worker's Welfare Fund		(8,267,589)	-
Income tax paid		(132,242,131)	(158,976,234)
Net cash used in operating activities		(1,863,075,308)	(1,770,670,667)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred - own use and intangible assets		(72,388,481)	(68,262,583)
Capital expenditure incurred - operating lease assets		(26,555,526)	(140,464,106)
Capital expenditure incurred - Ijarah finance		(136,377,141)	(134,260,800)
Proceeds from disposal of assets - own use		24,999,256	19,097,931
Proceeds from sale of operating lease assets		17,939,061	21,906,400
Proceeds from sale of Ijarah finance assets		17,350,061	4,452,765
Instalment against consideration on sale of e-Business		5,333,325	-
Investments - net		(133,620,750)	90,611,308
Consideration paid on business combination (SCLL)		(619,181,564)	-
Net cash received on acquisition of subsidiaries		70,822,381	-
Purchase of right shares of equity accounted undertaking		-	(193,330,000)
Dividend received		165,314,935	30,052,040
Interest received		109,357,094	99,982,222
Net cash used in investing activities		(577,007,349)	(270,214,823)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term loans		4,200,000,000	5,701,010,000
Short term borrowings-net		1,099,715,882	-
Certificates of deposit issued / redeemed - net		1,505,046,632	671,090,206
Repayment of long term loans and finances		(3,491,344,166)	(4,162,587,456)
Dividend paid		(367,791,326)	(285,491,030)
Net cash generated from financing activities		2,945,627,022	1,924,021,720
Net increase / (decrease) in cash and cash equivalents		505,544,365	(116,863,770)
Cash and cash equivalents at beginning of the year		(711,015,042)	(594,151,272)
Cash and cash equivalents at end of the year	48	(205,470,677)	(711,015,042)

Cash flows of discontinued operations

46.4

The annexed notes 1 to 56 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended June 30, 2016

	Attributable to equity shareholders of the Holding Company								Non-controlling Interest	Total
	Issued, subscribed and paid-up capital	Capital Reserves		Revenue Reserves				Sub total		
		Share premium	Statutory reserve	Unappropriated profit	Unrealised (losses) / gains on investment	Hedging reserve	Foreign currency translation reserve			
	(Rupees)									
Balance as at July 1, 2014	820,529,300	448,603,499	866,000,000	608,531,814	9,738,741	(58,090,553)	287,507,333	2,982,820,134	-	2,982,820,134
Profit for the year	-	-	-	670,903,539	-	-	-	670,903,539	-	670,903,539
Other comprehensive income	-	-	-	(134,314)	17,827,483	23,058,707	26,702,650	67,454,526	-	67,454,526
Total comprehensive income for the year ended June 30, 2015	-	-	-	670,769,225	17,827,483	23,058,707	26,702,650	738,358,065	-	738,358,065
Transactions with owners recorded directly in equity										
Cash dividend @ Rs.3.50 per ordinary share of Rs. 10.00 each for the year ended June 30, 2014	-	-	-	(287,185,255)	-	-	-	(287,185,255)	-	(287,185,255)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	-	3,027,384	-	-	-	3,027,384	-	3,027,384
Transfer to statutory reserve	-	-	33,545,177	(33,545,177)	-	-	-	-	-	-
Balance as at June 30, 2015	820,529,300	448,603,499	899,545,177	961,597,991	27,566,224	(35,031,846)	314,209,983	3,437,020,328	-	3,437,020,328
Shares issued upon amalgamation of SCLL	298,640	-	-	-	-	-	-	298,640	-	298,640
Non-controlling interest on acquisition of the Modaraba	-	-	-	-	-	-	-	-	940,800,214	940,800,214
Profit for the year	-	-	-	741,518,548	-	-	-	741,518,548	145,532	741,664,080
Other comprehensive income	-	-	-	(1,752,047)	(25,274,121)	35,031,846	26,785,040	34,790,718	-	34,790,718
Total comprehensive income for the year ended June 30, 2016	-	-	-	739,766,501	(25,274,121)	35,031,846	26,785,040	976,309,266	145,532	776,454,798
Transactions with owners recorded directly in equity										
Cash dividend @ Rs.4.50 per ordinary share of Rs. 10.00 each for the year ended June 30, 2015	-	-	-	(369,238,185)	-	-	-	(369,238,185)	-	(369,238,185)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	-	3,027,384	-	-	-	3,027,384	-	3,027,384
Transfer to statutory reserve	-	-	(37,500,000)	37,500,000	-	-	-	-	-	-
Balance as at June 30, 2016	820,827,940	448,603,499	862,045,177	1,372,653,691	2,292,103	-	340,995,023	3,847,417,433	940,945,746	4,788,363,179

The annexed notes 1 to 56 form an integral part of these consolidated financial statements.


Shaheen Amin
 Chief Executive


Khalid Aziz Mirza
 Chairman

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

1 STATUS AND NATURE OF BUSINESS

The “Group” consists of:

- (i) ORIX Leasing Pakistan Limited -The Holding Company
- (ii) ORIX Services Pakistan (Private) Limited (formerly Standard Chartered Services of Pakistan (Private) Limited) - Subsidiary Company
- (iii) ORIX Modaraba (formerly Standard Chartered Modaraba) - Subsidiary Company

1.1 During the current year, under the ‘Scheme of Amalgamation of Standard Chartered Leasing Limited with and into ORIX Leasing Pakistan Limited’, hereinafter referred to as “The Scheme’ as approved by Securities and Exchange Commission of Pakistan (SECP), Standard Chartered Leasing Limited (SCLL) has been acquired and amalgamated with the Holding Company. The scheme is effective from May 27, 2016 (Note 2).

1.2 During the current year, the Holding Company acquired ORIX Services Pakistan (Private) Limited - (formerly Standard Chartered Services of Pakistan (Private) Limited) - Subsidiary Company (the Management Company) and ORIX Modaraba (formerly Standard Chartered Modaraba) - Subsidiary Company (the Modaraba) whose results are incorporated in these consolidated financial statements from the date of acquisition. Comparative information in these consolidated financial statements are the same as reported in the annual published financial statements of ORIX Leasing Pakistan Limited.

1.3 During the current year, the Holding Company discontinued its e-Business segment as the business was not aligned to the Group’s strategic objective of concentrating on its core leasing business (Note 46).

1.4 Holding company

ORIX Leasing Pakistan Limited (“the Holding Company / the Company”) was incorporated in Pakistan as a private limited company on July 1, 1986 under the Companies Ordinance, 1984 and was converted into a public limited company on December 23, 1987. The Company is listed on the Pakistan Stock Exchange. The registered office of the Company is situated at Islamic Chamber of Commerce Building, Clifton, Karachi. The Company is licensed to carry out leasing business as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulations) Rules 2003 issued by the Securities and Exchange Commission of Pakistan (SECP).

1.5 Subsidiary companies

1.5.1 ORIX Services Pakistan (Private) Limited (formerly Standard Chartered Services of Pakistan (Private) limited) - 100% effective holding

ORIX Services Pakistan (Private) Limited (formerly Standard Chartered Services of Pakistan (Private) Limited (“the Management Company”) was incorporated as a private limited company on February 25, 1957 under the Companies Act, 1913 (now Companies Ordinance, 1984). Subsequently, it was registered as a Modaraba Company with the Registrar of Modaraba Companies and Modarabas under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980.

The principal activity of the Management Company is to engage in the business of floatation of Modarabas and to function as a Modaraba Company within the meaning of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980. Presently, the Company manages only ORIX Modaraba (formerly Standard Chartered Modaraba). The registered office of the Management Company is situated at 6th Floor, Syedna Tahir Saif-ud-din Trust Building, Beaumont Road, Civil Lines, Karachi, Pakistan.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

1.5.2 ORIX Modaraba (formerly Standard Chartered Modaraba) - 20% effective holding

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

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

2 BUSINESS COMBINATION

2.1 Acquisition and amalgamation of Standard Chartered Leasing Limited

2.1.1 The Holding Company proposed the scheme of amalgamation of Standard Chartered Leasing Limited with and into the Holding Company which was approved by the shareholders in their extraordinary general meeting held on March 15, 2016. The Scheme was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SC/NBFC-1/OLPL/17/2016/97 dated May 27, 2016, effective from May 27, 2016.

For the purposes of these consolidated financial statements, the Holding Company has incorporated the balances relating to Standard Chartered Leasing Limited at their carrying values as appearing in the audited financial statements of Standard Chartered Leasing Limited for the period ended May 26, 2016. These balances are detailed below:

	May 26, 2016 (Rupees)
ASSETS	
Current assets	
Cash and bank balances	65,250
Accrued mark-up / return on long term investments	16,107,160
Prepayments and other receivables	59,741,323
Current maturity of non-current assets	1,950,435,248
	2,026,348,981
Non-current assets	
Long term investments	58,882,984
Net investment in finance leases	1,848,448,590
Long term loans	1,791,159
Long term security deposits	112,500
Plant and equipment	1,641,319
Intangible assets	172,062
	1,911,048,614
Total Assets	3,937,397,595

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

	May 26, 2016 (Rupees)
LIABILITIES	
Current liabilities	
Accrued mark-up	40,924,539
Accrued and other liabilities	60,875,483
Borrowing from financial institutions	286,343,838
Certificates of investment	863,167,429
Taxation - net	50,927,274
Current maturity of non current liabilities	443,758,666
	1,745,997,229
Non-current liabilities	
Certificates of investment	398,486,049
Long term security deposits against leases	716,064,843
Long term finance	79,166,667
Deferred tax liability- net	13,955,674
	1,207,673,233
Total Liabilities	2,953,670,462
NET ASSETS	983,727,133

2.1.2 International Financial Reporting Standard 3, (IFRS 3) "Business Combinations", requires that all identified assets and liabilities acquired in a business combination should be carried at fair values in the acquirer's balance sheet and any intangible assets acquired in the business combination are required to be separately recognised and carried at fair values. IFRS 3 allows the acquirer a maximum period of one year from the date of acquisition to finalise determination of the fair values of the assets and liabilities and to determine the value of any intangible assets separately identified. The fair valuation exercise of the recorded assets and liabilities will be completed within the period specified under IFRS 3. The carrying values of the above balances may change as a result of the fair value exercise as required under IFRS 3.

2.1.3 The acquisition of Standard Chartered Leasing Limited is a bargain purchase as the value of the net assets acquired at the acquisition date exceeds the consideration paid by the Holding Company. Details of the carrying values of the net assets as at May 26, 2016, purchase consideration agreed and gain on bargain purchase are as follows:

	May 26, 2016 (Rupees)
Carrying value of net assets acquired	983,727,133
Purchase Consideration	
- Cash	747,633,338
- Shares issued upon amalgamation	298,640
	747,931,978
Gain on bargain purchase	235,795,155

The Holding Company has recognised the above gain on bargain purchase in the profit and loss account in accordance with the requirements of International Financial Reporting Standard 3, (IFRS 3) "Business Combinations".

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

2.2 Acquisition of subsidiary companies

2.2.1 In September 2015, ORIX Leasing Pakistan Limited (Holding Company) entered into a share and certificate purchase agreement with Standard Chartered Bank (Pakistan) Limited (the Bank) with regard to the proposed acquisition of the Bank's stake in Standard Chartered Services of Pakistan (Private) Limited (the Management Company) and Standard Chartered Modaraba (the Modaraba). The Securities and Exchange Commission of Pakistan (SECP) approved this proposed acquisition on March 28, 2016. Subsequently, ORIX Leasing Pakistan Limited acquired 100% ownership (4,450,000 shares) of the Management Company and 10% ownership (4,538,353 certificates) of the Modaraba on June 20, 2016 and June 21, 2016 respectively. In addition to this, the Holding Company holds 10% ownership of the Modaraba through the Modaraba Management Company. Subsequent to acquisition, SECP on August 22, 2016 notified the change in the name of the Management Company and Modaraba from Standard Chartered Services of Pakistan (Private) Limited and Standard Chartered Modaraba to ORIX Services Pakistan (Private) Limited and ORIX Modaraba respectively.

In accordance with the group's policy, these acquisitions have been accounted for under the 'acquisition method' where the excess of the consideration transferred over the fair value of the Company's share of identifiable net assets acquired is recorded as goodwill.

Details of purchase consideration, net assets acquired and goodwill are as follows:

2.2.2 ORIX Services Pakistan (Private) Limited (formerly Standard Chartered Services of Pakistan (Private) Limited)

Assets acquired and liabilities recognised at the date of acquisition

At the acquisition date, the identifiable assets acquired and liabilities assumed have provisionally been recognised at their carrying value. The management is in the process of determining the fair value of acquired assets and liabilities.

The carrying amounts of assets and liabilities acquired are as follows:

	June 20, 2016 (Rupees)
ASSETS	
Current assets	
Receivable from Standard Chartered Modaraba - related party	31,704,994
Advances, deposits and prepayments	2,144,826
Income tax refundable	10,401,318
Bank balance	18,895,336
	63,146,474
Non-current assets	
Investments	130,495,706
Total Assets	193,642,180

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

	June 20, 2016 (Rupees)
LIABILITIES	
Current liabilities	
Workers' Welfare Fund	1,070,304
Provision for performance bonus	5,833,333
Provision for services sales tax on management fee	11,787,296
Legal and professional charges payable	277,222
Other Payables	4,088,929
Auditors' remuneration payable	97,522
	23,154,606
Total Liabilities	23,154,606
Book value of net assets as at June 20, 2016	170,487,574
Percentage of net assets acquired	100%
Book value of net assets acquired	170,487,574
Consideration Transferred	
Purchase consideration paid in cash	183,489,632
Less: Net Book value of assets acquired	(170,487,574)
Goodwill	13,002,058

2.2.3 ORIX Modaraba (formerly Standard Chartered Modaraba)

Assets acquired and liabilities recognised at the date of acquisition

At the acquisition date, the identifiable assets acquired and liabilities assumed have provisionally been recognised at their carrying value. The management is in the process of determining the fair value of acquired assets and liabilities.

The carrying amounts of assets and liabilities acquired are as follows:

	June 21, 2016 (Rupees)
ASSETS	
Current assets	
Cash and bank balances	381,405,619
Ijarah rentals receivable	104,083,359
Advances, deposits, prepayments and other receivables	59,248,251
Current portion of investment in Sukuk certificates	-
Current portion of Diminishing Musharika	169,798,936
Net investment in Ijarah finance	370,000
Taxation recoverable	2,390,379
	717,296,544
Non-current assets	
Long - term portion of investment in Sukuk certificates	-
Long - term portion of Diminishing Musharika	1,025,286,752
Ijarah assets	3,606,784,188
Fixed assets in own use	36,928,824
	4,668,999,764
Total Assets	5,386,296,308

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

LIABILITIES	June 21, 2016 (Rupees)
Current liabilities	
Musharika finance	5,968,073
Current maturity of Musharika term finance arrangements	168,545,829
Current maturity of security deposits	198,765,933
Creditors, accrued and other liabilities	606,738,973
Advance Ijarah rentals received	51,069,830
Current portion of redeemable capital	2,110,325,000
Unclaimed profit distribution	39,580,514
	3,180,994,152
Non-current liabilities	
Long-term portion of Musharika term finance arrangements	150,000,000
Long-term portion of security deposits	463,776,888
Long-term portion of redeemable capital	415,525,000
	1,029,301,888
Total Liabilities	4,210,296,040
Book value of net assets as at June 21, 2016	1,176,000,268
Percentage of net assets acquired	10%
Book value of net assets acquired	117,600,027
Consideration Transferred	
Purchase consideration paid in cash	140,020,869
Less: Net Book value of assets acquired	(117,600,027)
Goodwill	22,420,842

2.2.4 International Financial Reporting Standard 3, (IFRS 3) "Business Combinations", requires that all identified assets and liabilities acquired in a business combination should be carried at fair values in the acquirer's balance sheet and any intangible assets acquired in the business combination are required to be separately recognised and carried at fair values. IFRS 3 allows the acquirer a maximum period of one year from the date of acquisition to finalise determination of the fair values of the assets and liabilities and to determine the value of any intangible asset separately identified. The fair valuation exercise of the recorded assets and liabilities will be completed within the period specified under IFRS 3. The carrying values of the above balances may change as a result of the fair value exercise as required under IFRS 3.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. The approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Ordinance, 1984, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, the requirements of the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance and Notified Entities Regulations,

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

2008 (the NBFC Regulations) and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case the requirements differ, the provisions of and directives issued under the NBFC Rules, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, the NBFC Regulations, the Companies Ordinance, 1984 and the directives issued by the SECP prevail.

3.2 Basis of measurement

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

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

3.3 Functional and presentation currency

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

3.4 Critical accounting estimates and judgments

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

The estimates and underlying assumptions are reviewed on an ongoing 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 Group's accounting policies, management has made the following estimates and judgments which are significant to the consolidated financial statements:

- (a) determining the residual values and useful lives of property, plant and equipment (Note 4.4 and 5);
- (b) allowance for potential lease and other loan losses (Note 4.8 and 40);
- (c) classification of financial assets (Note 4.10);
- (d) valuation of derivatives (Note 4.15);
- (e) provisions (Note 4.20);
- (f) recognition of taxation and deferred tax (Note 4.22, 25 and 45);
- (g) accounting for post employment benefits (Note 4.25 and 38.2);
- (h) employees compensated absences (Note 4.26 and 38.1) and
- (i) impairment (Note 4.27).

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

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

IFRS 13 'Fair Value Measurement' establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRS's. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 'Financial Instruments: Disclosures'. As a result of adoption of this standard, the Group has included additional disclosures in this regard in note 52.4 to these consolidated financial statements.

There are certain other new and amended standards and interpretations that are mandatory for the Group's accounting periods beginning on or after July 1, 2015 but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not disclosed in these consolidated financial statements.

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

The following standards, amendments and interpretations with respect to approved accounting standards would be effective from the date mentioned below against the respective standards, amendments or interpretations:

Standards, Interpretations or Amendments	Effective date (accounting period beginning on or after)
- IFRS-9 Financial Instruments	January 1, 2018
- IFRS-15 Revenue from contracts with customers	January 1, 2018
- IFRS-16 Leases	January 1, 2019

The standards highlighted above may impact the consolidated financial statements of the Group on adoption and the management is in the process of assessing the full impact.

There are certain other new and amended standards and interpretations that are mandatory for the Group's accounting periods beginning on or after July 1, 2016 but are considered not to be relevant or do not have any material effect on the Group's operations and are, therefore, not detailed in these financial statements.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Basis of Consolidation

The consolidated financial statements include the financial statements of the Holding Company and its subsidiary companies.

Subsidiary companies are fully consolidated from the date on which the power to control the company is established and are excluded from consolidation from the date of disposal or when the control is lost.

The financial statements of subsidiaries are prepared for the same reporting period as the Holding Company, using accounting policies that are consistent with those of the Holding Company.

The assets and liabilities of the subsidiaries have been consolidated with those of the Holding Company on a line by line basis and the carrying value of the Company's investment in the subsidiaries is eliminated against the subsidiaries' share capital and pre-acquisition reserves in these consolidated financial statements.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

Non-controlling interest represents that part of the net results of operations and of the net assets of the subsidiaries that is not owned by the Group.

All material intra-group balances and transactions have been eliminated.

Acquisitions of non-controlling interest (NCI) are measured at the proportionate share of the NCI in the fair value of the net assets acquired by the Holding Company. The excess of the fair value consideration transferred over the proportionate share of the NCI in the fair value of net assets acquired is recognised in equity.

4.2 Business Combination

Business combinations are accounted for by applying the acquisition method. The cost of acquisition is measured as the fair value of assets given, equity instruments issued and the liabilities incurred or assumed at the date of acquisition. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the Holding Company's share of identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets acquired in the case of a bargain purchase, the difference is recognised directly in the profit and loss account.

4.3 Goodwill

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at its cost less accumulated impairment losses, if any. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash Generating Units (CGUs), or groups of CGU, that is expected to benefit from the synergies of the combination. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

4.4 Property, plant and equipment

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

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

Depreciation is charged using the straight line method over its estimated useful life, at the rates specified in notes 5.1, 5.2 and 5.3 to the consolidated financial statements, after taking into account residual value, except for diesel generators under operating lease assets which are depreciated on hourly usage basis. The carrying value of leasehold land is amortised over its lease term. Depreciation on additions is charged from the month the assets are available for use. No depreciation is charged in the month of disposal.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

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

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

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

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

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

Ijarah assets

Rental from Ijarah arrangements are recognised in the profit and loss account on an accrual basis as and when rentals become due. Costs including depreciation, incurred in earning the Ijarah income are recognised as expense. Initial direct costs incurred specifically to earn revenues from Ijarah are recognised as an expense in the period in which they are incurred. The Ijarah assets are depreciated over the period of Ijarah on a straight line basis at the rates specified in note 5.3.

4.5 Intangible assets

Intangible assets having definite lives are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is charged as disclosed in note 6.1 applying the straight-line method over the useful lives of the assets. Amortisation is charged from the month in which the asset is available for use, while no amortisation is charged for the month in which the asset is disposed of. The residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

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

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

4.6 Capital work-in-Progress

Capital work-in-progress, if any, is stated at cost less accumulated impairment losses, if any, and represents expenditure on fixed assets in the course of construction and installation and advances for capital expenditure. Transfers are made to the relevant category of tangible / intangible assets as and when the assets are available for intended use.

4.7 Net investment in finance lease

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

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

4.8 Allowance for potential lease and other loan losses

Holding Company

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

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

The Modaraba

Provision for non-performing leases, if any, is made in accordance with the requirements of the Prudential Regulations for Modarabas issued by the Securities and Exchange Commission of Pakistan (SECP) and is charged to the profit and loss account in the current period. Outstanding balances in net investment in Ijarah finance are written off when there is no realistic prospect of recovery.

4.9 Assets classified as held for sale

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

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

4.10 Financial assets

The Group classifies its financial assets into the following categories:

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

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

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

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

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

b) Loans and receivables

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

c) Held-to-maturity

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

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

d) Available-for-sale

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

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

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

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

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

4.10.1 Impairment

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

a) Held-to-maturity

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

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

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

b) Available-for-sale

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

4.11 Financial instruments

All financial assets and financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Group 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.

4.12 Offsetting of financial assets and financial liabilities

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

4.13 Regular way Contracts

All "regular way" purchases and sales of financial assets are recognised on settlement date, i.e. the date on which the asset is delivered to or by the Group except for the ORIX Modaraba Management Company where purchase and sale of financial assets are recognised on trade date.

4.14 Investment in associates

The Holding Company's investment in its associates is accounted for under the equity method of accounting where an associate is an entity in which the Group 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 Holding 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 Holding Company determines whether it is necessary to recognise any additional impairment loss with respect to the Holding 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 Holding Company recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity.

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

4.15 Derivative financial instruments and hedging activities

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

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

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

The Group designates certain derivatives as either:

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

The Group 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 Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

(a) Fair value hedge

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

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

4.16 Long term finances and loans

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

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

4.17 Foreign currency transactions

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

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

4.18 Certificates of Deposit

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

4.19 Redeemable capital

The Modaraba offers only one deposit product, "Certificates of Musharika (COM)" under a scheme duly approved by the Securities and Exchange Commission of Pakistan vide its letter no.7(04) Reg-Mod/95-449 dated 4 April 1995. The Scheme of COM has been formulated under the parameters laid down for this purpose by the Securities and Exchange Commission of Pakistan ("SECP") in its "Guidelines for Issue of Certificates of Musharika for Modarabas" (the "Guidelines") issued on 7th September 1994.

As per the requirements of the Guidelines, the scheme of COM is based on the concept of "Musharika", hence it is classified as redeemable capital in accordance with the provisions of the Companies Ordinance, 1984. The salient features of the COM are as follows:

- This is a return based certificate wherein a deposit is placed with the Modaraba for a definite period of time.
- Total profits after charging all expenses, provisions/impairments and Management Company's remuneration of the Modaraba are shared by the COM holders and the Modaraba in accordance with ratio declared by the Modaraba and accepted by the COM holders. In the absence of such declaration, the total profits shall be shared between the COM holders and the Modaraba in proportion to their contribution in the Funds.
- The amount of profit allocated to the COM holders shall be shared among different category/tiers of the COM holders on the basis of predetermined weightages announced by the Modaraba at the beginning of each quarter.
- In the event of Loss, such loss shall be shared between the COM holders and the Modaraba in proportion to their fund.

4.20 Provisions

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

4.21 Proposed dividend and transfer between reserves

Dividends and appropriations to reserves, except appropriations which are required by law, made subsequent to the balance sheet date are considered as non-adjusting events and are recorded in the financial statements in accordance with the requirements of International Accounting Standard (IAS) 10, 'Events after the Reporting Period' in the year in which they are approved / transfers are made.

4.22 Taxation

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

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

Current

Provision for current taxation is based on taxable income for the year at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any. Tax charge for the current year is determined in accordance with the prevailing laws for taxation. The charge for the current tax is calculated using tax rates enacted or substantively enacted at the balance sheet date. The charge for the current tax also includes adjustments relating to prior years, if necessary, arising from assessments finalised during the year.

The income of non-trading Modarabas is exempt from tax provided that not less than 90% of their profits for the year as reduced by amount transferred to a mandatory reserve as required under the provisions of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) are distributed to the certificate holders. The Modaraba intends to continue availing the tax exemption by distributing at least 90% of its profits to the certificate holders each year.

Deferred

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

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

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

4.23 Revenue recognition

Finance leases

The Holding Company follows the 'financing method' in accounting for recognition of finance 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 deferred and then amortised over the term of the lease, so as to produce a systematic return on the net investment in finance leases.

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

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

Operating lease income

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

Ijarah lease income

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

Return on investments

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

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

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

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

Loans and finances

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

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

Diminishing Musharika

Profit on Diminishing Musharika arrangements is recognised under the effective profit rate method based on the outstanding amount.

Others

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

Return on bank deposits is recognised on an accrual basis.

4.24 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits, musharika finance and short-term highly liquid investments with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

4.25 Staff retirement benefits

Holding Company

(a) Defined contribution plan

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

(b) Defined benefit plan

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

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

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

The Modaraba

- (c) The Modaraba operates a recognised provident fund for all eligible employees and an approved funded defined contributory gratuity scheme for all permanent employees. Gratuity is payable to employees on completion of the prescribed qualifying period of service under the scheme. Contributions to the provident fund and gratuity fund are made at the rate of 10% and 8.33% respectively, of the basic salaries of employees.

4.26 Employees compensated absences

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

4.27 Impairment

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

4.28 Segment reporting

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

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

5	PROPERTY, PLANT AND EQUIPMENT	Note	2016	2015
		----- Rupees -----		
	Fixed assets - own use	5.1	630,193,057	392,126,268
	Fixed assets - on operating lease	5.2	1,032,400,115	1,184,613,802
	Fixed assets - Ijarah finance	5.3	3,771,723,799	185,071,406
			5,434,316,971	1,761,811,476

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

5.1 Fixed assets - own use

Description	2016									
	Cost / Revalued Amount				Accumulated depreciation			Net book value		
	As at July 1, 2015	Additions / transfer from amalgamated entity* / assets acquired on subsidiary acquisition**/ disposals/ Write-offs	Surplus on revaluation / (reversal of accumulated depreciation)	As at June 30, 2016	As at July 1, 2015	Charge for the year / transfer from amalgamated entity / (on disposals / Write offs)	Reversal due to revaluation	As at June 30, 2016	As at June 30, 2016	Rate / Years
-----Rupees-----										
Leasehold land	152,412,237	-	-	344,450,000	10,080,877	1,640,160	-	-	344,450,000	77 & 99 years
			203,758,800 (11,721,037)				(11,721,037)			
Office building	112,634,044	-	-	87,796,647	30,772,385	5,884,224	-	-	87,796,647	5%
			11,819,212 (36,656,609)				(36,656,609)			
Stock Exchange rooms	10,500,000	-	-	10,500,000	5,000,000	-	-	5,000,000	5,500,000	Indefinite life
Leasehold improvements	76,536,880	7,278,713 10,779,046** (2,891,391)	-	91,703,248	58,414,279	7,630,405	-	63,174,247	28,529,001	15% - 20%
						(2,870,437)				
Furniture, fittings and office equipments	94,860,885	19,589,684 8,913,208* 10,685,179** (20,103,452) (1,216,508)	-	112,728,996	59,245,662	9,500,856 7,271,889* - (16,706,203) (1,216,508)	-	58,095,696	54,633,300	15% - 25%
Vehicles	157,130,374	22,437,758 16** (36,731,169)	-	142,836,979	53,955,824	17,736,576 - (21,120,480)	-	50,571,920	92,265,059	20% - 33%
Computers and accessories	34,576,478	11,385,933 5,892,839** (8,832,337) (2,443,416)	-	40,579,497	29,055,603	5,509,012 - (8,560,752) (2,443,416)	-	23,560,447	17,019,050	33%
	638,650,898	60,692,088 8,913,208* 27,357,080** (68,558,349) (3,659,924)	215,578,012 (48,377,646)	830,595,367	246,524,630	47,901,233 7,271,889* - (49,257,872) (3,659,924)	(48,377,646)	200,402,310	630,193,057	

* This represents assets acquired from Standard Chartered Leasing Limited upon amalgamation of Standard Chartered Leasing Limited with and into ORIX Leasing Pakistan Limited.

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

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

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For the year ended June 30, 2016

5.1.1 During the current year, the properties of the Holding Company were revalued by independent professional valuer. The revaluation was carried out by M/s. SURVAL on the basis of professional assessment of present market values and resulted in an increase in surplus by Rs. 215.58 million. The total surplus arising against the revaluation of fixed assets as at June 30, 2016 amounts to Rs. 334.30 million.

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

	2016		
	Cost	Accumulated depreciation	Book value
	-----Rupees-----		
Leasehold land	54,399,300	6,589,476	47,809,824
Office building	76,781,580	26,651,253	50,130,327
	131,180,880	33,240,729	97,940,151

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

5.1.2 Included in cost of fixed assets - own use are fully depreciated items which are still in use aggregating to Rs. 120.45 million (2015: Rs. 104.85 million).

5.1.3 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
	-----Rupees-----					
Book value not exceeding Rs. 50,000 each						
Leasehold improvements	36,933	36,933	-	1,200	Negotiation	Mr. Masood Butt
Leasehold improvements - (e-Business)	2,854,458	2,833,504	20,954	*	Negotiation	e-Access (Pvt.) Limited
	2,891,391	2,870,437	20,954	1,200		
Furniture, fittings and office equipments	10,672,035	9,943,394	728,641	4,040,639	Various	Various
Furniture, fittings and office equipments - (e-Business)	7,905,971	6,485,369	1,420,602	*	Negotiation	e-Access (Pvt.) Limited
	18,578,006	16,428,763	2,149,243	4,040,639		
Vehicle	4,441,784	3,837,795	603,989	1,112,000	Negotiation	Various
Computers and accessories	2,655,448	2,634,740	20,708	103,576	Various	Various
Computers and accessories - (e-Business)	6,176,889	5,926,012	250,877	*	Negotiation	e-Access (Pvt.) Limited
	8,832,337	8,560,752	271,585	103,576		
Book value exceeding Rs. 50,000 each						
Furniture, fittings and office equipments						
	75,000	8,438	66,562	67,500	Company policy	Mr. Asrar ul Hasan Alvi, Employee
	72,000	12,600	59,400	59,400	Company policy	Mr. Imtiaz Ali, Employee
	1,378,446	256,402	1,122,044	*	Negotiation	e-Access (Pvt.) Limited
	1,525,446	277,440	1,248,006	126,900		

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of buyers*
-----Rupees-----						
Vehicles						
	1,803,000	1,171,950	631,050	986,292	Company Policy	Mian Faysal Riaz, Employee
	1,679,000	923,450	755,550	755,550	Company Policy	Mr. Teizoon Kizat, Employee
	1,541,000	554,760	986,240	1,204,082	Company Policy	Syed Muhammad Matin, Employee
	911,000	614,925	296,075	487,538	Company Policy	Mr. Ahsan Habib Ahsan, Employee
	911,000	614,925	296,075	519,242	Company Policy	Mr. Fahad Shahzad Memon, Employee
	868,000	694,400	173,600	173,600	Company Policy	Mr. Muhammad Atif Jamal Soofi, Employee
	859,000	579,825	279,175	415,900	Company Policy	Syed Waqas Ali Shah, Employee
	848,700	684,900	163,800	163,800	Company Policy	Mr. Muhammad Faisal Akram, Employee
	829,000	663,200	165,800	200,820	Company Policy	Mr. Muhammad Asif Bhatti, Employee
	819,000	655,200	163,800	171,300	Company Policy	Mr. Imran Shahzada, Employee
	819,000	655,200	163,800	163,800	Company Policy	Mr. Muhammad Yaseen, Employee
	819,000	655,200	163,800	163,800	Company Policy	Mr. Muhammad Jehangir, Employee
	819,000	655,200	163,800	163,800	Company Policy	Mr. Yasir Saleem, Employee
	809,000	546,075	262,925	399,400	Company Policy	Mr. Kamran Asim, Employee
	652,000	277,100	374,900	600,000	Insurance Claim	EFU Insurance Company Limited
	102,900	4,716	98,184	97,000	Insurance Claim	Adamjee Insurance Company Limited
	8,650,000	4,065,500	4,584,500	6,066,000	Negotiation	Mr. Imran Malik
	1,886,500	622,545	1,263,955	1,384,117	Negotiation	Mr. Khadim Hussian
	1,607,500	289,350	1,318,150	1,450,000	Negotiation	Mr. Suleman Hussaini
	1,477,500	664,875	812,625	1,291,000	Negotiation	Mr. Javed Muhammad Khan
	1,039,000	77,925	961,075	962,000	Negotiation	Mr. Waseem Mirza
	819,000	552,825	266,175	600,000	Negotiation	Mr. Navead Zafar Malik
	570,285	278,014	292,271	457,000	Negotiation	Mr. Sher Wali Khan
	395,000	266,625	128,375	259,000	Negotiation	Mr. Ali Akber
	395,000	316,000	79,000	300,000	Negotiation	Mr. M. Mashkoor Alam
	360,000	198,000	162,000	179,900	Negotiation	Mr. Shakeel Ahmed
	32,289,385	17,282,685	15,006,700	19,614,941		
	68,558,349	49,257,872	19,300,477	24,999,256		

* The assets disposed to e-Access (Pvt.) Limited pertains to e-Business (discontinued operations). These assets were disposed of as a 'disposal group'. Refer Note 46 for details.

5.1.4 The depreciation expense for the year has been allocated as follows:

	Note	2016	2015
Administrative and general expenses	38	46,896,070	45,829,445
(Loss) / profit after taxation from discontinued operations	46.3	1,005,163	1,786,520
		47,901,233	47,615,965

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

5.2 Fixed assets - on operating lease

Description	2016								Rate
	Cost		Accumulated depreciation			Net book value			
	As at July 1, 2015	Additions / (disposals)	As at June 30, 2016	As at July 1, 2015	Charge for the year / (on disposals)	As at June 30, 2016	As at June 30, 2016		
-----Rupees-----									
Generators	1,679,628,212	8,417,192 (27,307,270)	1,660,738,134	588,792,289	85,658,701 (14,134,222)	660,316,768	1,000,421,366	number of hours	
Generators Accessories	122,993,994	1,538,433 (3,007,500)	121,524,927	80,716,214	12,376,637 (2,922,675)	90,170,176	31,354,751	10% - 15%	
Communication equipment	410,273,755	16,599,901 (426,873,656)	-	362,444,172	9,871,935 (372,316,107)	-	-	15% - 33%	
Vehicles	7,587,500	- (6,147,500)	1,440,000	3,916,984	587,519 (3,688,501)	816,002	623,998	33%	
	2,220,483,461	26,555,526 (463,335,926)	1,783,703,061	1,035,869,659	108,494,792 (393,061,505)	751,302,946	1,032,400,115		
Description	2015								Rate
	Cost		Accumulated depreciation			Net book value			
	As at July 1, 2014	Additions / (disposals)	As at June 30, 2015	As at July 1, 2014	Charge for the year / (on disposals)	As at June 30, 2015	As at June 30, 2015		
-----Rupees-----									
Generators	1,596,827,532	121,080,472 (38,279,792)	1,679,628,212	473,602,148	147,570,650 (32,380,509)	588,792,289	1,090,835,923	number of hours	
Generators Accessories	123,081,558	200,000 (287,564)	122,993,994	67,489,455	13,514,323 (287,564)	80,716,214	42,277,780	10% - 50%	
Communication equipment	391,589,921	18,683,834	410,273,755	344,204,999	18,239,173	362,444,172	47,829,583	15% - 33%	
Vehicles	8,283,000	- (695,500)	7,587,500	2,619,726	1,633,416 (336,158)	3,916,984	3,670,516	33%	
	2,119,782,011	139,964,306 (39,262,856)	2,220,483,461	887,916,328	180,957,562 (33,004,231)	1,035,869,659	1,184,613,802		

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

5.2.1 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
----- Rupees -----						
Book value not exceeding Rs. 50,000 each						
Generators & generator accessories	2,467,500	2,467,500	-	1,487,500	Negotiation	Master Tiles & Ceramics
Communication equipment	93,499,045	93,499,045	-	509,100	Insurance claim	Various
Communication equipment	237,513,185	237,464,739	48,446	*	Negotiation	e-Access (Pvt.) Limited
	331,012,230	330,963,784	48,446	509,100		
Book value exceeding Rs. 50,000 each						
Generators & generator accessories	6,740,000	3,135,528	3,604,472	2,313,057	Negotiation	United Engineering & Services
	6,479,166	3,989,935	2,489,231	1,775,000	Negotiation	Sarfraz & Brother
	6,403,104	2,483,113	3,919,991	2,576,157	Negotiation	Sun Engineering
	5,200,000	3,575,542	1,624,458	1,710,786	Negotiation	United Engineering & Services
	3,025,000	1,405,279	1,619,721	3,070,741	Negotiation	United Engineering & Services
	27,847,270	14,589,397	13,257,873	11,445,741		
Communication equipment	95,861,426	41,352,324	54,509,102	*	Negotiation	e-Access (Pvt.) Limited
Vehicles	695,500	417,300	278,200	572,300	Negotiation	Mr. Shaukat Ali Akbar
	695,500	417,300	278,200	466,905	Negotiation	Mr. Shaukat Ali Akbar
	695,500	417,300	278,200	460,905	Negotiation	Mr. Shaukat Ali Akbar
	695,500	417,300	278,200	541,300	Negotiation	Mr. Javed Hashim
	675,500	405,300	270,200	510,500	Negotiation	Mr. S.M Tasleem
	675,500	405,300	270,200	505,500	Negotiation	Mr. S.M Tasleem
	675,500	405,300	270,200	511,500	Negotiation	Mr. S.M Tasleem
	669,500	401,700	267,800	458,905	Negotiation	Mr. Intikhab Ahmed Khan
	669,500	401,700	267,800	468,905	Negotiation	Mr. Intikhab Ahmed Khan
	6,147,500	3,688,500	2,459,000	4,496,720		
	463,335,926	393,061,505	70,274,421	17,939,061		

* The assets disposed to e-Access (Pvt.) Limited pertains to e-Business (discontinued operations). These assets were disposed of as a 'disposal group'. Refer Note 46 for details.

5.2.2 Included in cost of fixed assets - operating lease are fully depreciated items which are still in use aggregating to Rs.155.89 million (2015: Rs.400.67 million).

5.2.3 The depreciation expense for the year has been allocated as follows:

	Note	2016	2015
Direct cost of lease	39	98,622,857	162,718,388
(Loss) / profit after taxation from discontinued operations	46.2	9,871,935	18,239,174
		108,494,792	180,957,562

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

5.3 Fixed assets - Ijarah finance

Description	2016							Rate
	Cost		Accumulated depreciation			Net book value		
	As at July 1, 2015	Additions / Assets acquired on subsidiary acquisitions** / (disposals)	As at June 30, 2016	As at July 1, 2015	Charge for the year / (on disposals)	As at June 30, 2016	As at June 30, 2016	
-----Rupees-----								
Machinery & Generators	204,508,000	85,424,628 1,705,176,120** (113,355,480)	1,881,753,268	68,507,561	89,203,957 - (103,871,832)	53,839,686	1,827,913,582	Underlying lease term
Vehicles	113,887,640	50,952,513 1,901,608,068** (66,702,500)	1,999,745,721	64,816,673	50,252,719 - (59,133,888)	55,935,504	1,943,810,217	Underlying lease term
	318,395,640	136,377,141 3,606,784,188** (180,057,980)	3,881,498,989	133,324,234	139,456,676 - (163,005,720)	109,775,190	3,771,723,799	

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

5.3.1 Details of fixed assets - Ijarah finance, disposed during the year are as follows:

	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of buyers
----- Rupees -----						
Book value not exceeding Rs. 50,000 each						
Machinery & Generators	18,519,000	18,519,000	-	-	As per contract terms	Various
Vehicles	30,627,000	30,627,000	-	-	As per contract terms	Various
Book value exceeding Rs. 50,000 each						
Machinery & Generators	9,836,480	8,852,832	983,648	983,648	As per contract terms	King's Food (Private) Limited
	85,000,000	76,500,000	8,500,000	8,500,000	As per contract terms	Olympia Synthetics Limited
	94,836,480	85,352,832	9,483,648	9,483,648		
Vehicles	875,000	243,056	631,944	659,525	Negotiation	Mr. Faisal Iqbal
	1,385,000	1,240,729	144,271	185,325	Negotiation	Mr. Mubashir Bashir Bhutta
	1,366,000	1,252,167	113,833	92,944	Negotiation	Mr. Syed Farhan Zia
	680,000	547,778	132,222	142,343	Negotiation	Mr. Muhammad Irfan
	2,500,000	2,361,111	138,889	166,904	Negotiation	Kun & Co.
	1,721,000	1,577,583	143,417	171,605	Negotiation	Mr. Abdul Hameed
	920,000	868,889	51,111	61,661	Negotiation	Mr. Abdul Khaliq
	1,868,500	1,323,521	544,979	629,774	Negotiation	Futehally Chemicals (Pvt) Limited
	20,828,500	16,662,800	4,165,700	4,165,700	As per contract terms	Ocean Pakistan Limited
	1,607,500	1,114,021	493,479	471,966	Negotiation	Airblue Ltd
	674,000	452,912	221,088	245,774	Negotiation	Habib Oil Mills (Private) Limited
	1,650,000	862,321	787,679	872,892	Negotiation	Interwood Mobel (Pvt.) Ltd.
	36,075,500	28,506,888	7,568,612	7,866,413		
	180,057,980	163,005,720	17,052,260	17,350,061		

5.3.2 The depreciation expense has been charged to direct cost of leases.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

6	INTANGIBLE ASSETS	Note	-----Rupees-----	
			2016	2015
	Computer software and license	6.1	21,005,795	8,631,456
	Goodwill	2.2.2 & 2.2.3	35,422,900	-
			56,428,695	8,631,456

6.1 Computer software and license

Description	2016							
	Cost		Accumulated amortisation			Net book Value		Rate
	As at July 1, 2015	Additions / transfer from amalgamated entity* / assets acquired on subsidiary acquired / (disposals)	As at June 30, 2016	As at July 1, 2015	Charge for the year / transfer from amalgamated entity* / (on disposals)	As at June 30, 2016	As at June 30, 2016	
	-----Rupees-----							
Computer software and license	86,301,840	11,673,180 1,347,692* 9,594,957** (44,212,376) (1,352,697)	63,352,596	77,670,384	8,666,019 1,175,630* (43,812,535) (1,352,697)	42,346,801	21,005,795	36-80 months
	86,301,840	11,673,180 1,347,692* 9,594,957** (44,212,376) (1,352,697)	63,352,596	77,670,384	8,666,019 1,175,630* (43,812,535) (1,352,697) -	42,346,801	21,005,795	

* This represents assets acquired from Standard Chartered Leasing Limited upon amalgamation of Standard Chartered Leasing Limited with and into ORIX Leasing Pakistan Limited.

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

6.2 Details of intangible assets disposed during the year are as follows:

	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of buyers*
	----- Rupees -----					
Book value not exceeding Rs. 50,000 each	43,712,576	43,706,328	6,248	*	Negotiation	e-Access (Pvt.) Limited
Book value exceeding Rs. 50,000 each	499,800	106,207	393,593	*	Negotiation	e-Access (Pvt.) Limited
	44,212,376	43,812,535	399,841	-		

* The assets disposed to e-Access (Pvt.) Limited pertains to e-Business (discontinued operations). These assets were disposed of as a 'disposal group'. Refer Note 46 for details.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

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

	Note	2016	2015
		-----Rupees-----	
Administrative and general expenses	38	4,515,519	1,427,300
(Loss) / profit after taxation from discontinued operations	46.2	4,150,500	3,307,027
		8,666,019	4,734,327

7 NET INVESTMENT IN FINANCE LEASE

Instalment contract receivables		21,061,432,559	17,062,648,835
Residual value		8,441,261,944	6,808,120,022
	7.1	29,502,694,503	23,870,768,857
Less: Unearned finance income		3,230,778,923	3,046,820,480
		26,271,915,580	20,823,948,377

7.1 Details of investment in finance lease

	Gross investment in finance lease		Present value of investment in finance lease	
	2016	2015	2016	2015
	----- Rupees -----			
Less than one year	13,548,638,627	9,228,479,570	11,780,064,405	8,746,722,525
One to five years	15,954,055,876	14,642,289,287	14,491,851,175	12,077,225,852
	29,502,694,503	23,870,768,857	26,271,915,580	20,823,948,377

7.2 The Holding Company's implicit rate of return on leases ranges between 7.59% and 25.00% (2015: 11.25% and 25.00%) per annum. These are secured against leased assets and security deposits generally upto 22.00% (2015: upto 23.00%) of the cost of leased assets.

7.3 Based on the NBFC Regulations, the aggregate net exposures in finance leases against which income suspension is required amounted to Rs. 784.06 million (2015: Rs. 673 million).

7.4 Lease rentals received during the year aggregate to Rs. 9,916 million (2015: Rs. 8,536 million).

8 INVESTMENT IN ASSOCIATED UNDERTAKINGS

	Note	2016	2015
		-----Rupees-----	
Related parties			
Investment in equity accounted undertakings	8.1	2,266,192,717	2,176,352,899

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

2016	2015		Note	2016	2015
(Number of shares)				-----Rupees-----	
Quoted					
29,223,944	28,099,946	Oman ORIX Leasing Company SAOG	8.1.2 & 8.1.3	1,138,382,265	1,077,858,593
				1,138,382,265	1,077,858,593
Unquoted					
1,375,000	1,375,000	Saudi ORIX Leasing Company		572,953,631	516,256,056
90,000	90,000	Al Hail ORIX Finance PSC		284,249,975	300,191,268
920,000	920,000	ORIX Leasing Egypt SAE		270,606,846	282,046,982
8,750	8,750	SK Leasing JSC		-	16,443,654
		Less: Impairment		-	16,443,654
				-	-
				2,266,192,717	2,176,352,899

Notes to and Forming Part of the Consolidated Financial Statements

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

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

	2016	2015
	-----Rupees-----	
Oman ORIX Leasing Company SAOG	898,484,392	1,114,541,211

8.1.3 Includes 1,428 shares at Riyal Omani (R.O.) 0.1/- each (2015: 1,374 shares at R.O.0.1/- each) held in the name of a Director in the investee company. The aggregate carrying value of these shares is Rs. 0.056 million (2015: Rs. 0.053 million).

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

Name	Date of financial year end	As at June 30, 2016		For the period ended July 1, 2015 to June 30, 2016		Interest held
		Total assets	Total liabilities	Revenues	Profit / (loss)	
2016						
----- (Rupees) -----						
Quoted						
Oman ORIX Leasing Company SAOG	31 December	47,832,881,034	38,095,941,074	4,651,776,284	1,438,168,277	11.64%
Unquoted						
Saudi ORIX Leasing Company	31 December	52,900,576,490	29,884,381,006	6,239,398,642	2,246,438,562	2.50%
Al Hail ORIX Finance PSC	31 December	29,438,437,144	20,169,490,535	2,770,960,734	(140,618,550)	3.00%
ORIX Leasing Egypt SAE	31 December	8,609,381,614	7,505,188,353	1,097,405,477	136,042,992	23.00%
2015						
Quoted						
Oman ORIX Leasing Company SAOG	31 December	40,130,525,041	31,492,870,273	3,987,784,015	1,340,752,555	11.64%
Unquoted						
Saudi ORIX Leasing Company	31 December	60,883,891,714	39,972,094,757	6,931,796,948	3,160,819,805	2.50%
Al Hail ORIX Finance PSC	31 December	33,565,970,531	23,631,148,871	3,005,421,538	785,801,133	3.00%
ORIX Leasing Egypt SAE	31 December	8,387,175,455	7,160,837,868	1,016,328,968	150,616,994	23.00%

8.1.5 Movement of investment in associates:

	2016		Al Hail ORIX Finance PSC	ORIX Leasing Egypt SAE	Total
	Oman ORIX Leasing Company SAOG	Saudi ORIX Leasing Company			
	----- (Rupees) -----				
Balance at the beginning of the year	1,077,858,593	516,256,056	300,191,268	282,046,982	2,176,352,899
Share of profit / (loss) for the year	167,427,237	43,243,943	(4,750,329)	28,243,263	234,164,114
Share of other comprehensive income / (loss) for the year	33,487,709	14,250,622	5,892,042	(39,683,399)	13,946,974
Dividend received during the year	(140,050,137)	(796,990)	(17,082,198)	-	(157,929,325)
Exchange gain / (loss)	(341,137)	-	(808)	-	(341,945)
	1,138,382,265	572,953,631	284,249,975	270,606,846	2,266,192,717

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

	2015					Total
	Oman ORIX Leasing Company SAOG	Saudi ORIX Leasing Company	Al Hail ORIX Finance PSC	ORIX Leasing Egypt SAE	SK Leasing JSC	
	----- (Rupees) -----					
Balance at the beginning of the year	892,968,834	376,243,669	166,184,980	257,152,943	25,043,645	1,717,594,071
Investments made during the year	-	67,375,000	125,955,000	-	-	193,330,000
Share of profit for the year	156,086,391	60,845,782	23,574,034	34,641,907	-	275,148,114
Share of other comprehensive income / (loss) for the year	28,803,368	11,981,628	5,169,018	(9,747,868)	-	36,206,146
Dividend received during the year	-	(190,023)	(20,691,764)	-	(8,603,613)	(29,485,400)
Impairment loss	-	-	-	-	(16,443,654)	(16,443,654)
Exchange gain / (loss)	-	-	-	-	3,622	3,622
	1,077,858,593	516,256,056	300,191,268	282,046,982	-	2,176,352,899

8.1.6 During the current year, the Holding Company has classified the investment in SK Leasing JSC as 'Non-current asset classified as held for sale'. Refer Note 19.3 for details.

	Note	2016	2015
		-----Rupees-----	
9 LONG TERM INVESTMENTS			
Held-to-maturity investments			
Pakistan Investment Bonds (PIBs)	9.1	433,552,335	14,404,648
Term finance certificates (TFCs)			
- Unlisted	9.2	1,701,878	3,265,627
Investment in Sukuk certificates	9.3	57,701,835	-
		492,956,048	17,670,275
Available for Sale Securities			
Units of collective investment scheme			
National Investment (Unit) Trust			
202,000 (2015: 202,000) units of Rs 10 each		13,160,300	-
Cost Rs 1,363,500 (2015: Rs 1,363,500)		506,116,348	17,670,275
Less: Current maturity	13	359,971,600	-
Less: Provision for potential losses on investments	40.2	59,403,713	3,265,627
		419,375,313	3,265,627
		86,741,035	14,404,648

9.1 This investment has been made as required under Regulation 14(4)(g) of the Non Banking Finance Companies and Notified Entities Regulations, 2008 to maintain liquidity against certificates of deposit. This is redeemable within a period of 3 years (2015: 3 years) from the balance sheet date, carrying coupon rate of 9.60% to 12.00% (2015: 9.60%) per annum due half yearly from the date of issue.

9.2 This represents investment made by the Holding Company in unlisted Term Finance Certificates (TFCs). The exposure against these TFCs amounting to Rs. 1.70 million has been fully provided.

9.3 This represents investment by the Modaraba in unlisted Sukuk Certificates which have been fully provided.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

10 LONG TERM FINANCES AND LOANS	Note	2016	2015
		-----Rupees-----	
Considered good			
Related parties - secured			
Key management personnel - related party		71,946,684	37,469,419
Executives	10.1 & 10.3	58,969,000	37,750,991
		130,915,684	75,220,410
Others			
Agri finance - secured	10.2	5,120,103	17,065,065
Employees - secured	10.3	41,165,101	24,278,481
Micro finance	10.4	244,336,446	20,791,813
Musharakah finance - secured	10.5	1,213,499,618	50,935,714
Term finance - secured	10.6	-	26,250,003
Vehicle finance - secured	10.7	2,460,599,955	1,884,094,058
		3,964,721,223	2,023,415,134
		4,095,636,907	2,098,635,544
Considered doubtful			
Others			
Agri finance - secured		13,557,687	16,218,817
Micro finance		1,502,466	395,283
Term finance - secured		195,008,867	195,008,867
Vehicle finance - secured		45,995,947	38,641,500
		256,064,967	250,264,467
Less: Allowance for potential loan losses	40.1	256,064,967	250,264,467
		-	-
Less: Current maturity			
Key Management Personnel, other Executives and employees		26,412,530	22,082,909
Others		1,753,800,182	1,197,296,263
	13	1,780,212,712	1,219,379,172
		2,315,424,195	879,256,372
10.1 Reconciliation of outstanding amount of loans to Executives			
Opening balance		75,220,410	74,696,888
Acquired on business combination		57,278,916	-
Disbursements		12,874,857	13,906,080
Repayments		(14,458,499)	(13,382,558)
		130,915,684	75,220,410

10.2 This represents long term finance offered to farmers on mark-up basis. The rate of return on these loans ranges between 15.00% and 28.00% (2015: 15.00% and 28.00%) per annum. These loans are repayable within a period of 1.5 year to 3 years (2015: 1 year to 3 years) and are secured against title documents of immovable property and hypothecation of personal assets.

10.3 This includes housing loans given in accordance with terms of the Group'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 Group and carry mark-up ranging between 5.00% to 9.54% (2015: 5.00%) per annum. Loans to Executives and other employees (other than housing loan) carry mark-up rates up to 15.00% (2015: up to 15.00%) per annum, secured against their retirement benefits and are repayable within a period of five years.

Maximum amount outstanding at the end of any month during the year against loans to Executives was Rs. 139.45 million (2015: Rs. 75.22 million).

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

- 10.4 This represents long term micro loans offered to individuals and women entrepreneurs on mark-up basis. The rate of return on these loans ranges between 28.00% and 35.78% (2015: 28.00% and 36.00%) per annum. These are secured against personal guarantees of community organisations and are repayable within a period of 1.5 years (2015: 1.5 years).
- 10.5 This represents musharakah facilities provided to customers. The rate of return on these finances ranges between 7.60% and 21.00% (2015: 12.20% and 21.00%) per annum. The facilities have a repayment term of 2 to 20 years (2015: 3 to 4 years) and are secured by assets subject to musharakah agreement.
- 10.6 This represents term finance facility provided to customers on mark-up basis. The mark-up on these finances ranges between 5.00% and 20.00% (2015: 5.00% and 20.00%) per annum. These finances are repayable within a period of 2 years to 5 years (2015: 2 years 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.
- 10.7 This represents vehicle financing facility provided to customers on mark-up basis. The mark-up on these finances ranges between 10.14% and 24.00% (2015: 11.38% and 25.00%) per annum. These finances are repayable within a period of 2 years to 5 years (2015: 2 years to 5 years) and are secured against charge over vehicles and personal guarantee of individuals.

	Note	2016	2015
-----Rupees-----			
11 SHORT TERM FINANCES			
Considered good			
Agri finance - secured	11.1	2,341,547	4,956,966
Micro finance	11.2	195,123,450	365,578,117
Term finance - secured	11.3	88,185,016	36,830,238
		285,650,013	407,365,321
Considered doubtful			
Agri finance - secured		5,532,104	9,116,074
Micro finance		3,489,068	3,988,639
Term finance - secured		115,407,328	123,707,326
		124,428,500	136,812,039
Less: Allowance for potential losses	40.1	124,428,500	136,812,039
		-	-
		285,650,013	407,365,321

- 11.1 This represents short term finance offered to farmers on mark-up basis. The mark-up on these loans ranges between 17.00% and 26.00% (2015: 17.00% and 28.00%) per annum. These are secured against title documents of immovable property and hypothecation of personal assets and are recoverable within twelve months.
- 11.2 This represents short term micro loans offered to individuals and women entrepreneurs on mark-up basis. The mark-up on these loans ranges between 14.70% and 35.08% (2015: 20.00% and 38.00%) per annum. These are secured against personal guarantees of community organisations and are recoverable within twelve months.
- 11.3 This represents term finance facilities provided to customers on mark-up basis in the normal course of business. The mark-up on these finances ranges between 9.50% and 18.00% (2015: 10.50% and 18.00%) per annum. These finances are recoverable between one and twelve months and are secured against charge over fixed assets, trade receivables, hypothecation of stocks and lien over certificates of deposit.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

12	ACCRUED RETURN ON INVESTMENTS AND TERM FINANCE	Note	2016	2015
			-----Rupees-----	
	Investments		51,245,595	30,280,365
	Term finance		54,428,298	44,503,334
			105,673,893	74,783,699
13	CURRENT MATURITY OF NON-CURRENT ASSETS			
	Current maturity of:			
	Net investment in finance lease	7.1	11,780,064,405	8,746,722,525
	Long term investments	9	359,971,600	-
	Long term finances and loans	10	1,780,212,712	1,219,379,172
			13,920,248,717	9,966,101,697
14	SHORT TERM INVESTMENTS			
	Held-to-maturity investments			
	Certificates of deposit		-	708,602
	At fair value through profit and loss			
	Treasury bills	14.1	610,536,907	463,531,798
	Term finance certificates	14.2	8,000,527	18,992,047
			618,537,434	482,523,845
	Available-for-sale			
	Pakistan investment bond (PIBs)	14.3	593,380,572	616,133,538
	Ordinary shares - unlisted	14.4 & 14.5	15,059,667	15,285,526
			608,440,239	631,419,064
	Loans and receivables			
	Fund placements		-	334,183
	Less: Allowance for potential losses	40.2	8,000,527	9,043,312
			1,218,977,146	1,105,942,382

14.1 This represents investments made as required under Regulation 14(4)(g) of the NBFC Regulations to maintain liquidity against certificates of deposit. These are redeemable within a period of 12 months (2015: 12 months) from the balance sheet date, carrying yield ranging from 5.81% to 6.38% (2015: 6.73% to 8.33%) per annum due at maturity.

14.2 This represents investment made by the Holding Company in unlisted Term Finance Certificates (TFCs) that has been fully provided.

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

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

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

14.5 This includes shares of Burj Bank Limited against which impairment loss of Rs. 3.10 (2015: 3.10 million) has been recognised.

	Note	2016	2015
-----Rupees-----			
15 ADVANCES AND PREPAYMENTS			
Advances - unsecured		57,030,351	20,199,538
Prepayments			
Insurance			
- leased assets		1,813,155	2,561,808
- own assets		-	266,944
Rent		6,339,108	10,431,361
Others		10,127,812	13,526,619
		18,280,075	26,786,732
		75,310,426	46,986,270
16 OTHER RECEIVABLES			
Considered good			
Operating lease rentals receivable		26,282,605	56,189,345
Ijarah rental receivable		96,504,456	1,965,497
Receivable against sale of e-Business	16.1	26,666,675	-
Receivable from staff retirement funds - SCLL	16.2	24,648,274	-
Fair value of hedging instrument		-	15,539,862
Others		12,049,030	818,339
		186,151,040	74,513,043
Considered doubtful			
Operating lease rentals receivable		20,233,268	33,824,885
Ijarah rental receivable		33,638,426	4,041,668
Receivable from equity brokerage customers		32,989,328	39,438,514
Others		1,981,064	-
		88,842,086	77,305,067
Less: Allowance for potential losses	40.2	88,842,086	77,305,067
		186,151,040	74,513,043

16.1 This represents receivable on account of sale of e-Business (Discontinued operation).

16.2 This represents the amount receivable from retirement funds of the merged entity (i.e Standard Chartered Leasing Limited) in respect of payment made to SCLL employees by ORIX Leasing Pakistan Limited.

	Note	2016	2015
-----Rupees-----			
17 CASH AND BANK BALANCES			
Cash in hand		1,266,472	1,321,720
With banks on:			
- Current accounts		357,289,274	124,759,908
- Deposit accounts	17.1 & 17.2	254,844,299	47,204,724
		612,133,573	171,964,632
		613,400,045	173,286,352

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

17.1 These carry mark-up rates ranging from 2.60 % to 5.50 %. (2015: 3.00% to 5.50%).

17.2 These include balance amounting to Rs. 61.800 million at profit rate ranging between 2.94% - 4.2 % per annum kept with a bank in order to comply with the requirement of guidelines issued by the Securities and Exchange Commission of Pakistan (SECP) with respect to the maintenance of prescribed liquidity against the Certificates of Musharika issued by the Modaraba. These deposit accounts are under profit and loss sharing arrangements, permissible under Shariah.

18 NET INVESTMENT IN IJARAH FINANCE

	2016		Total
	Not later than one year	Later than one year and less than five years	
	----- (Rupees) -----		
Minimum Ijarah payments receivable	1,264,599	-	1,264,599
Add: Residual value	370,000	-	370,000
Gross investment in Ijarah finance	1,634,599	-	1,634,599
Less: Unearned finance income	130,156	-	130,156
Allowance for potential Ijarah losses	1,134,443	-	1,134,443
Net Investment in Ijarah finance	370,000	-	370,000

	Note	2016	2015
		-----Rupees-----	
19 ASSETS CLASSIFIED AS HELD FOR SALE			
Repossessed assets	19.1	19,189,266	3,547,810
Investment in associated undertaking	19.2 & 19.3	128,293,437	87,754,399
		147,482,703	91,302,209

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

19.2 The management intends to divest the Holding Company's investment in OPP (Private) Limited, subject to necessary regulatory approvals. As at the balance sheet date, the carrying value of investment in OPP (Private) Limited is Rs. 87.75 million (2015: 87.75 million).

19.3 During the current year, the Holding Company entered into a sale purchase agreement (SPA) to divest its investment in SK Leasing JSC. As a result, the investment in SK Leasing JSC has been classified under asset classified as held for sale at the carrying amount of Rs. 40.54 million. The fair value less cost to sell of SK Leasing amounts to Rs. 46.38 million.

20 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2016		2015		2016		2015	
(Number of Shares)				-----Rupees-----			
Ordinary shares of Rs. 10/- each							
49,355,892	49,355,892	Fully paid in cash		493,558,920		493,558,920	
30,544,364	30,544,364	Fully paid bonus shares		305,443,640		305,443,640	
2,182,538	2,152,674	Fully paid shares against amalgamation		21,825,380		21,526,740	
82,082,794	82,052,930			820,827,940		820,529,300	

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

20.1 As at June 30, 2016, ORIX Corporation, Japan and its nominees held 40,693,564 (2015: 40,693,564) ordinary shares equivalent to 49.58% (2015: 49.59%) of the total shareholding.

	Note	2016	2015
-----Rupees-----			
21 SURPLUS ON REVALUATION OF LEASEHOLD LAND AND OFFICE BUILDING (NET OF TAXATION)			
Opening balance		121,755,868	124,783,252
Revaluation surplus arising during the year		215,578,012	-
Adjustment in respect of incremental depreciation transferred to retained earnings		(3,027,384)	(3,027,384)
		334,306,496	121,755,868
Opening balance of deferred tax liability		(9,746,860)	(43,674,136)
Effect of change in tax rate		1,392,410	-
Adjustment on transfer of incremental depreciation to retained earnings		600,320	1,059,587
Reversal of deferred tax liability on land		-	32,867,689
Deferred tax liability on surplus arising during the year		(3,545,764)	-
	25	(11,299,894)	(9,746,860)
		323,006,602	112,009,008
22 LONG TERM FINANCES - secured			
Long term finances utilised under mark-up arrangements - financial institutions	22.1 & 22.2	9,445,111,970	8,033,455,235
		9,445,111,970	8,033,455,235
Less: Unamortised transaction cost		19,522,910	31,503,031
Less: Current maturity	32	3,127,599,617	3,294,389,094
		3,147,122,527	3,325,892,125
		6,297,989,443	4,707,563,110

22.1 These finances have been obtained for financing of lease operations and are secured by hypothecation of leased assets, related lease receivables and operating lease assets. The mark-up rate thereon ranges between 6.25% to 7.61% (2015: 7.91% to 12.23%) per annum. These finances are repayable within a period of 18 to 60 months (2015: 18 to 60 months).

22.2 This also includes Musharika term finance obtained from Meezan Bank Limited amounting to Rs. 318.545 million. These carry profit ranging from 6.25% to 7.42%. These finances are repayable within a period of 36 months.

	Note	2016	2015
-----Rupees-----			
23 LONG TERM CERTIFICATES OF DEPOSIT - unsecured			
Certificates of deposit	23.1 & 23.2	7,676,914,791	6,038,910,491
Less: Current maturity	32	1,802,742,125	921,967,140
		5,874,172,666	5,116,943,351

23.1 These represent long term certificates of deposit, issued at expected rates of profit, ranging between 6.15% and 15% (2015: 7.13% and 15.50%) per annum. These certificates of deposit have been issued for terms ranging between 2 years and 10 years (2015: 2 years and 10 years).

23.2 This includes unamortized transaction cost amounting to Rs. 4.48 million (2015: Nil).

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

24 LONG TERM DEPOSITS	Note	2016	2015
-----Rupees-----			
Security deposit on finance lease	24.1	9,091,129,518	6,804,332,299
Less: Repayable / adjustable within 12 months	32	2,498,922,718	1,566,589,081
		6,592,206,800	5,237,743,218
Others		-	1,025,000
		6,592,206,800	5,238,768,218

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

25 DEFERRED TAXATION	Note	2016	2015
-----Rupees-----			
The deferred tax liability is attributable to the following items:			
- Accelerated tax depreciation		542,832,132	948,250,235
- Surplus on revaluation of office building	21	11,299,894	9,746,860
- Unamortised transaction costs relating to long term finances and loans		5,856,873	11,026,049
- Unrealised gain on investment		806,131	11,418,181
- Share of profit of associates		334,292,123	355,782,300
- Allowance for potential loan losses		(136,617,778)	(173,686,925)
- Tax losses		(282,019,391)	(708,821,434)
		476,449,984	453,715,266

25.1 The Modaraba Management Company has not recorded Deferred tax asset amounting to Rs 10.1 million as the management is of the view that it is not probable that the Group will have sufficient taxable profits before unused tax losses expire.

26 OTHER LONG TERM LIABILITIES	Note	2016	2015
-----Rupees-----			
Profit on certificates of deposit	26.1	258,983,005	268,234,514

26.1 This represent profit on certificates of deposit payable on maturity.

27 REDEEMABLE CAPITAL - PARTICIPATORY AND UNSECURED	Note	2016	2015
-----Rupees-----			
Certificates of Musharika (CoM)	27.1	2,793,605,000	-
Less: Current portion of redeemable capital	32	(2,110,325,000)	-
		683,280,000	-

27.1 These carry estimated share of profit payable ranging between Re. 0.1575 to Re. 0.1863 per thousand per day and are due to mature latest by June 18, 2018.

27.2 During the year, profit allocated to different categories / tiers of the COM holders ranges from Re. 0.0548 to Re. 0.1863 per thousand per day.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

28	TRADE AND OTHER PAYABLES	Note	2016	2015
			-----Rupees-----	
	Creditors	28.2	428,684,576	374,980,738
	Accrued liabilities		138,516,136	97,121,041
	Other liabilities			
	Advance from customers against finance lease and Ijarah finance		99,496,659	42,286,202
	Insurance payable		72,937,121	49,836,268
	Unclaimed dividend / Profit distribution		56,213,200	7,241,495
	Worker's Welfare Fund		84,429,949	42,720,352
	Payable to minority shareholders of SCLL		128,685,164	-
	Others	28.1	66,780,019	9,058,551
	Fair value of hedging instrument		-	17,857,389
			508,542,112	169,000,257
			1,075,742,824	641,102,036

28.1 This includes provision for services sales tax on management fee of Rs.11.79 million. Pursuant to an order number SRB-COM-I/AC-V/Mgt/SCSOP/5878/2012 of the Sindh Revenue Board (SRB) dated April 22, 2013, the Modaraba has recorded a provision in respect of Sindh sales tax (SST) on management fee at the rate of 16% per annum with effect from November 1, 2011 to June 30, 2014 and at the rate of 15% per annum subsequently. The Modaraba has filed an appeal before the Appellate Tribunal SRB against this order which is pending adjudication. Meanwhile, the Company has recorded a receivable from Modaraba against the said provision.

28.2 This includes Rs. 14.934 million refundable to Ijarah customers in respect of withholding tax deposited by the customers pertaining to Ijarah vehicles. The amount will be refunded only if the Subsidiary Company receives the refund from the tax department.

29	ACCRUED INTEREST / MARK-UP ON LOANS, FINANCES AND CERTIFICATES OF DEPOSIT	Note	2016	2015
			-----Rupees-----	
	Interest / mark-up / profit on			
	Long term finances		156,535,982	152,380,390
	Redeemable Capital		42,576,376	-
	Long term loans		-	19,973,394
	Short term borrowings		22,163,015	13,959,012
	Certificates of deposit		218,981,573	132,663,877
			440,256,946	318,976,673

30	SHORT TERM BORROWINGS	Note	2016	2015
	From Banking Companies			
	Running finance arrangements - secured	30.1	809,208,372	884,301,394
	Short term loans - secured	30.2	1,099,715,882	-
	Musharika Finance	30.3	9,662,350	-
			1,918,586,604	884,301,394

30.1 The short term running finance facilities available from commercial banks amounted to Rs. 2,120 million at June 30, 2016 (2015: Rs. 1,825 million). The rate of mark-up ranges between 6.75% and 7.85% (2015: 7.56% and 9.50%) on a daily product basis. These are secured by hypothecation of leased assets and related lease receivables.

30.2 Short term loan facilities totaling Rs. 2,850 million (2015: Rs. 1,750 million) from financial institutions are also available to the Group for periods ranging between 1 to 6 months on roll-over basis for a period of one year and carry mark-up at the rate of KIBOR + 0.25% to KIBOR + 1.00% (2015: KIBOR + 0.5% to KIBOR + 1.25%). These are secured by hypothecation of specific lease-assets and related receivables.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

30.3 The total facility for Musharika finance amounts to Rs. 500 million and carries profit of Re. 0.2013 per rupee one thousand per day. The facility is secured against a specific charge over moveable leased out assets of the Modaraba along with the associated receivables and is due to mature on December 31, 2016.

	Note	2016	2015
		-----Rupees-----	
31 SHORT TERM CERTIFICATES OF DEPOSIT			
Unsecured	31.1	2,073,044,036	944,348,226

31.1 These represent short term certificates of deposit issued at expected rates of profit, ranging between 3.5% and 7.5% (2015: 6.78% and 9.63%) per annum for terms of 3 to 12 months (2015: 1 to 12 months).

	Note	2016	2015
		-----Rupees-----	
32 CURRENT MATURITY OF NON-CURRENT LIABILITIES			
Current maturity of			
Long term finances	22	3,127,599,617	3,294,389,094
Long term loans		-	410,870,766
Long term certificates of deposit	23	1,802,742,125	921,967,140
Long term deposits	24	2,498,922,718	1,566,589,081
Current portion of redeemable capital	27	2,110,325,000	-
		9,539,589,460	6,193,816,081

33 CONTINGENCIES AND COMMITMENTS

33.1 In November 2011, the Holding Company received a show cause notice from the Large Taxpayers Unit of the Federal Board of Revenue (FBR) Karachi as to why Federal Excise Duty (FED) on mark-up and other income for the years ended June 30, 2008, 2009 and 2010 amounting to Rs. 1,126 million along with applicable penalty and default surcharge should not be recovered from the Company. The Company's legal advisor is of the opinion that charging of FED on mark-up based income is unlawful and accordingly the Company filed a suit before the Honorable High Court of Sindh challenging levy of FED on mark-up income. The Honorable High Court of Sindh in its order dated November 19, 2015 directed FBR to issue the notice of hearing and thereafter decide the matter. The Honorable High Court of Sindh further directed that recovery shall not be affected till the decision is made. Subsequent to the said order no notice from FBR for hearing has been received. Management, based on the merit of the case, considers that decision will be in the Holding Company's favour. Hence no provision has been made in this regard.

33.2 The Additional Commissioner Inland Revenue (ACIR) passed an amended assessment order under section 122(5A) of the Income Tax Ordinance 2001(the Ordinance), dated July 25, 2013 for the tax year 2010 and created a demand of Rs. 313 million. Certain discrepancies were observed in the amended order, against which rectification application is pending for adjudication.

The Holding Company preferred an appeal against the amended assessment order dated July 25, 2013 passed by the ACIR before the Commissioner Inland Revenue (Appeals) (CIR-A). The CIR-A vide order dated March 17, 2014, disposed of the appeal with certain amendments and directed the ACIR to pass revised amended assessment order. The Holding Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) on the issues which were decided against the Company by the CIR-A which is pending for adjudication.

The ACIR, on the direction of CIR-A vide order dated March 17, 2014, passed revised amended assessment order dated July 18th, 2014 under section 122 (5A) / 124 of the Ordinance reducing the tax demand to Rs 167 million. However, the ACIR has not accepted certain issues in the revised assessment order on which the Holding Company has also filed an appeal before the CIR-A which is pending for adjudication.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

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

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

33.3 The assessments of Standard Chartered Leasing Limited (SCLL) - amalgamated entity, for the years 1998-99 to 2002-03 were finalised by the tax officer whereby lease key money amounting to Rs. 239 million have been added to the SCLL's returned income. In SCLL's appeals with the Income Tax Appellate Tribunal (ITAT), the addition was held. SCLL filed rectification application before ITAT that certain arguments advanced at the time of hearing of appeals were not considered while framing the order. The ITAT vide appellate order dated February 27, 2008 has recalled its original appellate order for all years to the extent through which the said addition of lease key money was confirmed and referred to the Chairman ITAT to constitute larger bench for rehearing / decision of the case. No provision has been made in this respect as the management is of the view that the same will be allowed.

33.4 In April 2016, the Holding Company received a show cause notice from the Sindh Revenue Board (SRB) as to why Sindh Provincial Sales Tax (SPST) on rentals of generators on operating lease for the years ended June 30, 2012, 2013, 2014 & 2015 amounting to Rs.462 million along with applicable penalty and default surcharge should not be recovered from the Holding Company.

The Holding Company's Legal Advisor is of the opinion that the show cause notice claiming SPST on renting out of any movable and immovable property including generators is unlawful and SRB has no legislative competence or authority to levy SPST on renting of property including generators. The Holding Company filed a suit before the Honorable High Court of Sindh challenging the levy of SPST on renting of generators. The Honorable High Court of Sindh has passed a Stay Order dated May 23, 2016 restricting SRB from any coercive measures against the Holding Company.

Based on the merit of the case, the Management considers that decision will be in the Holding Company's favour. Hence, no provision has been made in this regard.

33.5 Leasing and ijarah contracts committed but not executed at the balance sheet date amounted to Rs 109 million (2015: Rs. 28 million).

33.6 On May 30, 2014, the Additional Commissioner Inland Revenue (ACIR) issued a notice to the Modaraba Management Company demanding the payment of Workers' Welfare Fund (WWF) amounting to Rs 365,652 under section 122(5A) of the Income Tax Ordinance, 2001 with respect to tax year 2008. Against the order, the Company filed an appeal with the Commissioner Inland Revenue (Appeals) who has decided the matter in favour of the Modaraba Management Company and dismissed the order of the ACIR. Against the appellate order, the ACIR has now filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) which is pending to date. The Modaraba Management Company is hopeful that the appellate order will also be maintained at the level of ATIR.

33.7 The Modaraba has issued letter of comfort to Habib Metropolitan Bank Limited for Rs. 21.915 million on behalf of Maqsood Faisal Printing Press (Private) Limited against Ijarah commitments.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

	2016	2015		
	-----Rupees-----			
34 INCOME FROM OPERATING LEASE				
Generators and Vehicles	396,474,185	546,238,148		
Islamic Finance	177,910,465	117,763,525		
	574,384,650	664,001,673		
35 OTHER INCOME - NET				
From financial assets				
Return on investments and deposits	4,844,794	4,911,906		
Interest income on government securities	110,944,947	106,874,788		
Dividend income	7,727,555	566,639		
Gain on bargain purchase - note 2.1.1	235,795,155	-		
Capital gain on sale of investment	-	75,690,780		
Unrealised (loss) / gain on remeasurement of financial assets at fair value through profit or loss	(4,388,339)	5,424,860		
Gain on fair value hedging instruments	4,428,556	10,904,427		
Exchange loss on long term borrowings	(4,428,556)	(10,904,427)		
	354,924,112	193,468,973		
From assets other than financial assets				
Other fees and income	78,529,862	40,246,285		
Exchange (loss) / gain on dividend received	(341,945)	3,622		
Documentation fee	37,240,522	34,853,353		
Gain on disposal of fixed assets	10,524,141	19,917,864		
Gain on sale of leased assets	23,036,198	22,350,875		
Other exchange gain / (loss) - net	85,577	(116,609)		
	149,074,355	117,255,390		
	503,998,467	310,724,363		
36 SHARE OF PROFIT OF EQUITY ACCOUNTED UNDERTAKINGS				
	2016	2015		
Name of associates	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	1,438,168,277	167,427,237	1,340,752,555	156,086,391
Un-Quoted				
Saudi ORIX Leasing Company	2,246,438,562	43,243,943	3,160,819,805	60,845,782
Al Hail ORIX Finance PSC	(140,618,550)	(4,750,329)	785,801,133	23,574,034
ORIX Leasing Egypt SAE	136,042,992	28,243,263	150,616,994	34,641,907
	2,241,863,004	66,736,877	4,097,237,932	119,061,723
	3,680,031,281	234,164,114	5,437,990,487	275,148,114

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

	Note	2016	2015
		-----Rupees-----	
37	FINANCE COST		
Interest / mark-up on			
- Long term finances		650,746,454	706,887,984
- Redeemable Capital		5,053,497	-
- Long term loans		10,377,462	55,131,461
- Musharika finance arrangement		435,995	-
- Short term borrowings		101,531,878	106,348,750
- Certificate of deposits		860,550,767	816,643,147
Amortisation of transaction costs		13,502,023	18,427,591
Bank charges and commission		32,284,649	24,249,819
		1,674,482,725	1,727,688,752
38	ADMINISTRATIVE AND GENERAL EXPENSES		
Salaries, allowances, welfare and training	38.1	557,796,827	487,335,934
Rent and utilities		73,647,728	72,416,312
Travelling		10,821,984	14,178,698
Vehicle running and maintenance		33,646,396	39,117,820
Insurance on operating assets		8,193,077	8,989,893
Legal and professional charges		34,131,058	33,533,508
Communication		22,248,746	21,678,749
Subscriptions		2,716,474	2,333,277
Auditors' remuneration	38.3	3,354,739	2,118,865
Advertising		5,794,650	7,224,774
Printing and stationery		13,032,101	10,435,894
Depreciation	5.1.4	46,896,070	45,829,445
Amortisation	6.3	4,515,519	1,427,300
Office repairs and maintenance of equipment		30,776,494	25,492,244
Donations	38.4	6,350,000	5,091,300
Office general expenses		8,721,016	7,761,386
		862,642,879	784,965,399
38.1	Includes following employee benefits		
Defined benefit plan - gratuity fund	38.2.5	12,200,147	11,999,521
Defined contributory plan - gratuity fund		235,369	-
Defined contributory plan - provident fund		22,526,963	20,724,772
Compensated absences		7,202,014	7,334,193
		42,164,493	40,058,486

38.2 DEFINED BENEFIT PLAN - STAFF RETIREMENT GRATUITY

38.2.1 General description

The Holding Company operates a funded gratuity scheme which was established under the provision of the trust deed dated July 1, 2004 for its permanent staff who have completed the qualifying period under the scheme. The funded scheme is administered by the Board of Trustees in accordance with the provisions of the Trust Deed. Contributions therein are made in accordance with actuarial recommendations. The most recent valuation in this regard was carried out as at June 30, 2016, using the Projected Unit Credit Method for valuation of the scheme.

The disclosures made in notes 38.2.2 to 38.2.11 are based on the information included in the actuarial report of the Holding Company as of June 30, 2016.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

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

	Note	2016 ----- Rupees -----	2015 ----- Rupees -----
Present value of defined benefit obligation	38.2.4	156,681,763	161,024,331
Fair value of any plan assets	38.2.4	(155,218,531)	(160,175,134)
		1,463,232	849,197

38.2.3 Plan assets consist of the following:

	2016		2015	
	(Rupees)	%	(Rupees)	%
Government Securities	152,569,556	98.29%	157,043,534	98.04%
Shares of listed companies	-	0.00%	250,000	0.16%
Term deposits and cash and bank balances	2,648,975	1.71%	2,881,600	1.80%
	155,218,531	100.00%	160,175,134	100.00%

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

	2016		
	Present value of obligation	Fair value of plan assets	Total
	----- Rupees -----		
At July 1	161,024,331	(160,175,134)	849,197
Current service cost	12,811,235	-	12,811,235
Interest expense / (income)	15,059,358	(15,670,446)	(611,088)
	188,894,924	(175,845,580)	13,049,344
Remeasurements:			
- Interest on plan assets, excluding amounts included in interest expense / (income)	-	(1,238,531)	(1,238,531)
- Experience losses	2,990,578	-	2,990,578
	2,990,578	(1,238,531)	1,752,047
	191,885,502	(177,084,111)	14,801,391
Contribution	-	(13,338,159)	(13,338,159)
Benefit payments	(35,203,739)	35,203,739	-
At June 30	156,681,763	(155,218,531)	1,463,232

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

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

38.2.5 Charge for defined benefit plan	2016	2015
	-----Rupees-----	
Current service cost	12,811,235	12,478,258
Net return cost	(611,088)	(478,737)
	12,200,147	11,999,521

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

38.2.6 Principal actuarial assumptions	2016	2015
- Discount rate	9.00%	10.50%
- Expected rate of increase in salary	9.00%	10.50%
- Expected rate of return on plan assets	9.00%	10.50%
- Average working life of employees (Years)	8.12	8.63

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

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

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
		-----Rupees-----	
Discount rate	1.0%	140,057,865	176,321,432
Salary growth rate	1.0%	176,127,333	139,916,286
		Increase by 1 year in assumption	Decrease by 1 year in assumption
		-----Rupees-----	
Life expectancy		156,871,892	156,419,515
		Increase by 10% in assumption	Decrease by 10% in assumption
		-----Rupees-----	
Withdrawal rate		156,227,591	157,143,936

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

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

38.2.9 The weighted average duration of the defined benefit obligation is 12.56 years.

38.2.10 Historical results

	2016	2015	2014	2013	2012
	-----Rupees-----				
Present value of defined benefit obligation	156,681,763	161,024,331	135,189,600	119,719,825	107,274,477
Fair value of plan assets (Surplus)/Deficit	(155,218,531)	(160,175,134)	(131,270,153)	(90,634,056)	(88,283,364)
	1,463,232	849,197	3,919,447	29,085,769	18,991,113
Remeasurements of plan liabilities	(1,238,531)	720,795	495,591	3,097,965	(2,629,553)
Remeasurements of plan assets	2,990,578	586,481	(4,258,092)	(7,467,483)	(24,560,759)

38.2.11 Funding levels are monitored on an annual basis and are based on actuarial recommendations. Contribution for the next year works out to Rs. 12,004,786 as per the actuarial valuation report of the Holding Company as of June 30, 2016.

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

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

38.3 Auditors' remuneration

	2016	2015
	-----Rupees-----	
Annual audit fee including consolidation	1,600,000	1,200,000
Fee for special certification including half yearly review fee	300,000	300,000
Other services and certifications	896,283	310,250
Sales tax on audit fee and other services	199,800	108,615
Out of pocket expenses	358,656	200,000
	3,354,739	2,118,865

38.4 Directors or their spouse have no interest in any of the donee.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

39 DIRECT COST OF LEASE	Note	2016	2015
		-----Rupees-----	
Court fee, stamp duty and others		16,268,256	11,134,318
Operating lease			
Maintenance and insurance		172,735,319	225,418,322
Depreciation - operating lease assets	5.2.3	98,622,857	162,718,388
Depreciation - Ijarah Finance	5.3	139,456,676	91,295,084
		410,814,852	479,431,794
		427,083,108	490,566,112

40 ALLOWANCE FOR POTENTIAL LEASE AND OTHER LOAN LOSSES

	2016				
	Finance leases	Finance and loans	Sub Total	Operating lease, investments and other receivables	Total
	-----Rupees-----				
Balance at beginning of the year	721,375,996	387,076,506	1,108,452,502	106,057,660	1,214,510,162
Balance at beginning of the year (subsidiaries)	-	-	-	81,187,200	81,187,200
Transfer from SCLL	58,278,206	-	58,278,206	1,566,543	59,844,749
Provision / (reversal) made during the year	243,195,782	11,537,522	254,733,304	(35,413,115)	219,320,189
Impairment against E-Business	-	-	-	5,336,452	5,336,452
Write offs	(75,483,292)	(18,120,561)	(93,603,853)	(2,488,414)	(96,092,267)
	947,366,692	380,493,467	1,327,860,159	156,246,326	1,484,106,485
	2015				
	Finance leases	Finance and loans	Sub Total	Operating lease, investments and other receivables	Total
	-----Rupees-----				
Balance at beginning of the year	759,020,567	379,070,490	1,138,091,057	97,021,749	1,235,112,806
Provision made during the year	103,743,853	17,931,123	121,674,976	19,376,975	141,051,951
Provision pertaining to discontinued operations	-	-	-	5,895,366	5,895,366
Write offs	(141,388,424)	(9,925,107)	(151,313,531)	(16,236,430)	(167,549,961)
	721,375,996	387,076,506	1,108,452,502	106,057,660	1,214,510,162

40.1 Provision against finances and loans	Note	2016	2015
		-----Rupees-----	
Long term finances and loans	10	256,064,967	250,264,467
Short term finances and loans	11	124,428,500	136,812,039
		380,493,467	387,076,506
40.2 Provision against other receivables and investments			
Impairment on equity accounted undertaking		-	16,443,654
Other receivables	16	88,842,086	77,305,067
Short term investments	14	8,000,527	9,043,312
Long term investments	9	59,403,713	3,265,627
		156,246,326	106,057,660

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

41 OTHER PROVISIONS - NET	2016	2015
	-----Rupees-----	
Operating lease, investments and other receivables		
Provision for other receivable	(16,362,927)	20,976,448
(Reversal) / provision for potential losses on investments	(2,606,534)	(1,599,473)
Reversal of impairment on equity accounted undertaking	(16,443,654)	-
	(35,413,115)	19,376,975
Impairment		
Impairment on available for sale securities	-	3,114,225
Reversal of impairment on equity accounted undertaking	(24,095,384)	-
Others		
Provision for workers welfare fund	19,838,810	17,500,000
Provision for sales tax	2,933	-
	(39,666,756)	39,991,200

42 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2016			
	Chief Executive of the Holding Company	Chief Executive of the Management Company	Executives	Total
	----- Rupees -----			
Managerial remuneration and allowances	25,516,530	464,155	203,804,416	229,785,101
House rent and utilities	6,874,920	57,778	60,289,652	67,222,350
Retirement benefits	2,258,158	26,476	24,058,875	26,343,509
	34,649,608	548,409	288,152,943	323,350,960
Number of persons	2	1	124	127
	2015			
	Chief Executive of the Holding Company	Chief Executive of the Management Company	Executives	Total
	----- Rupees -----			
Managerial remuneration and allowances	21,814,650	-	166,380,847	188,195,497
House rent and utilities	6,237,600	-	50,945,139	57,182,739
Retirement benefits	3,471,471	-	20,041,534	23,513,005
	31,523,721	-	237,367,520	268,891,241
Number of persons	1	-	95	96

- 42.1 Executives mean employees, other than the Chief Executive and Directors of the Holding Company, whose basic salary exceeds five hundred thousand rupees in a financial year.
- 42.2 The Chief Executive and certain Executives are also provided with / entitled to Company owned and maintained cars and other benefits in accordance with their entitlement as per Company policy.
- 42.3 Aggregate amount charged in these consolidated financial statements includes meeting fees paid to 3 non-executive directors of the Holding Company amounting to Rs. 1.82 million (2015: 4 non-executive Directors Rs. 0.91 million).
- 42.4 Aggregate amount charged in these consolidated financial statements includes fee paid to Chairman of the Board of Directors of the Holding Company amounting to Rs. 1 million (2015: Rs.1.2 million). The Chairman is also provided with a Company maintained owned car.

Notes to and Forming Part of the Consolidated Financial Statements

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43 SEGMENT INFORMATION

The Group 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 Group provides assets on short term rentals. Segment results for the Group's Micro Finance operation are also disclosed separately. Other operations, which are not deemed by management to be sufficiently significant to disclose as separate items and do not fall in to the above segment categories, are reported under "Investment in associates, loans and others".

Segment analysis for the year ended June 30, 2016

	Finance Lease	Operating Lease	Investment in associates, loans and others	Sub total	Micro Finance	Total
	----- Rupees -----					
Segment revenues	2,324,490,107	692,313,583	863,585,653	3,880,389,343	150,730,861	4,031,120,204
Share of profit of equity accounted undertakings	-	-	234,164,114	234,164,114	-	234,164,114
Total segment revenue	2,324,490,107	692,313,583	1,097,749,767	4,114,553,457	150,730,861	4,265,284,318
Administrative and general expenses	286,720,167	54,984,460	2,719,670	344,424,297	57,478,743	401,903,040
Direct cost of leases	16,268,256	485,245,072	-	501,513,328	-	501,513,328
Allowance for potential lease, instalment and other loan losses - net	243,195,782	-	9,041,915	252,237,697	2,495,607	254,733,304
Impairment loss on e business assets	-	30,003,203	-	30,003,203	-	30,003,203
Other Provisions - net	-	(16,381,831)	(43,123,735)	(59,505,566)	-	(59,505,566)
Segment result	1,778,305,902	138,462,679	1,129,111,917	3,045,880,498	90,756,511	3,136,637,009
Provision for workers welfare fund				(19,838,810)	-	(19,838,810)
Unallocated expenses				(490,395,112)	-	(490,395,112)
Result from operating activities				2,535,646,576	90,756,511	2,626,403,087
Finance cost				(1,648,569,859)	(25,912,866)	(1,674,482,725)
Provision for taxation				(210,256,282)	-	(210,256,282)
Profit for the year				676,820,435	64,843,645	741,664,080
Other information						
Segment assets	25,324,548,888	4,927,280,975	5,607,516,805	35,859,346,668	439,459,896	36,298,806,564
Investment in equity accounted undertakings	-	-	2,266,192,717	2,266,192,717	-	2,266,192,717
Assets classified as held for sale	19,189,266	-	128,293,437	147,482,703	-	147,482,703
Unallocated assets				1,630,652,797	-	1,630,652,797
Total assets				39,903,674,885	439,459,896	40,343,134,781
Segment liabilities	9,091,129,518	-	-	9,091,129,518	-	9,091,129,518
Unallocated liabilities				26,140,635,482	-	26,140,635,482
Total liabilities				35,231,765,000	-	35,231,765,000
Capital expenditure	-	162,932,667	-	162,932,667	3,484,226	166,416,893
Depreciation	-	238,079,533	-	238,079,533	1,276,454	239,355,987
Unallocated capital expenditure	-	-	-	57,231,075	-	57,231,075
Unallocated depreciation and amortisation	-	-	-	50,135,135	-	50,135,135

Notes to and Forming Part of the Consolidated Financial Statements

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Segment analysis for the year ended June 30, 2015

	Finance Lease	Operating Lease	Investment in associates, loans and others	Sub total	Micro Finance	Total
----- Rupees -----						
Segment revenues	2,261,355,111	899,996,716	646,206,437	3,807,558,264	126,263,718	3,933,821,982
Share of profit of equity accounted undertakings	-	-	275,148,114	275,148,114	-	275,148,114
Total segment revenue	2,261,355,111	899,996,716	921,354,551	4,082,706,378	126,263,718	4,208,970,096
Administrative and general expenses	273,273,275	75,457,934	4,324,805	353,056,014	50,899,751	403,955,765
Direct cost of leases	11,134,318	610,819,072	-	621,953,390	-	621,953,390
Allowance for potential lease, instalment and other loan losses - net	103,743,853	-	17,888,950	121,632,803	42,173	121,674,976
Impairment loss on assets available for sale	-	-	3,114,225	3,114,225	-	3,114,225
Other Provisions - net	-	34,575,907	(9,303,566)	25,272,341	-	25,272,341
Segment result	1,873,203,665	179,143,803	905,330,137	2,957,677,605	75,321,794	3,032,999,399
Provision for workers welfare fund				(17,500,000)	-	(17,500,000)
Unallocated expenses				(427,907,108)	-	(427,907,108)
Result from operating activities				2,512,270,497	75,321,794	2,587,592,291
Finance cost				(1,692,453,113)	(35,235,639)	(1,727,688,752)
Provision for taxation				(189,000,000)	-	(189,000,000)
Profit for the year				630,817,384	40,086,155	670,903,539
Other information						
Segment assets	20,102,572,381	1,375,712,515	3,239,977,965	24,718,262,861	386,369,930	25,104,632,791
Investment in equity accounted undertakings	-	-	2,176,352,899	2,176,352,899	-	2,176,352,899
Assets classified as held for sale	3,547,810	-	87,754,399	91,302,209	-	91,302,209
Unallocated assets				945,359,503	-	945,359,503
Total assets				27,931,277,472	386,369,930	28,317,647,402
Segment liabilities	6,804,332,299	-	37,192,637	6,841,524,936	120,299,248	6,961,824,184
Unallocated liabilities				17,806,793,882	-	17,806,793,882
Total liabilities				24,648,318,818	120,299,248	24,768,618,066
Capital expenditure	-	274,225,106	-	274,225,106	1,266,290	275,491,396
Depreciation	-	275,559,673	-	275,559,673	1,482,201	277,041,874
Unallocated capital expenditure	-	-	-	63,774,833	-	63,774,833
Unallocated depreciation and amortisation	-	-	-	47,561,064	-	47,561,064

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44 TRANSACTIONS WITH RELATED PARTIES

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

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

44.1 Terms and conditions of transactions with related parties

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

	2016	2015
	-----Rupees-----	
ORIX Corporation, Japan Parent Company Dividend paid	183,113,276	142,421,437
Oman ORIX Leasing Company SAOG Associate / common directorship Dividend received	140,050,137	-
1,123,998 bonus shares (2015: Nil)	-	-
Consultancy fee received	-	1,284,395
BOD attendance fee	5,255,486	5,803,534
Al Hail ORIX Finance PSC Associate / common directorship Purchase of right shares	-	125,955,000
Consultancy fee received	1,566,168	-
Dividend received	17,082,198	20,691,764
Saudi ORIX Leasing Company Associate / common directorship Purchase of right shares	-	67,375,000
Dividend received	796,990	190,023
Consultancy fee received	1,992,770	491,137
BOD attendance fee	5,296,147	5,143,795
OPP (Private) Limited Associate / common directorship Rent paid for serviced apartment	-	66,700
SK Leasing JSC Associate / common directorship Dividend received	7,094,574	8,603,614

Notes to and Forming Part of the Consolidated Financial Statements

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	2016	2015
	-----Rupees-----	
State life Insurance Corporation of Pakistan		
Common directorship		
Rent and premium payment	11,090,179	13,064,064
Sui Northern Gas Company Limited		
Common directorship		
Utilities bills payment	25,180	43,030
Related Parties		
Issuance of certificates of deposit	18,234,668	73,303,408
Redemption of certificates of deposit	34,514,244	39,271,443
Amount of profit paid	6,300,564	4,678,768
ORIX Leasing Pakistan Limited - Employees Provident Fund (OLP-EPF)		
Contribution made	22,728,737	20,831,889
ORIX Leasing Pakistan Limited - Staff Gratuity Fund (OLP-SGF)		
Contribution made	13,573,528	15,204,085
Balances		
Certificates of deposit held - Related parties	55,399,043	71,978,619
Investment in associated undertakings	2,266,192,717	2,176,352,899
Accrued profit on certificates of deposit - Related parties	3,921,402	3,668,637
Loan to key management personnel outstanding	71,946,684	37,469,419
Defined benefit payable to ORIX Leasing Pakistan Limited - Staff Gratuity Fund	1,463,232	849,197
Receivable from staff retirement funds - Modaraba	580,000	-
Contribution payable to staff retirement benefit - Management Company	122,763	-
Receivable from staff retirement funds - SCLL	24,648,274	-

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

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

44.4 The Modaraba enters into transactions with related parties for lease of assets, borrowings under Musharika finances and other general banking services. These transactions are based on a transfer pricing policy under which all transactions are carried out on agreed terms. The balances with related parties have been disclosed in the respective notes.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

	2016	2015
	-----Rupees-----	
44.5 Compensation of key management personnel		
Short term employee benefits	200,835,515	120,148,590
Retirement benefits	15,960,144	12,617,166
Total compensation to key management personnel	216,795,659	132,765,756
Loan disbursement to key management personnel	10,822,063	9,774,286
Interest paid by key management personnel	2,235,701	2,294,031
Advance to the Chief Executive Officer	1,320,000	-
Provision for performance bonus	6,000,000	-
Principal repaid by key management personnel	10,873,620	5,492,702
45 TAXATION		
Current tax charge for the year	188,139,433	88,795,376
Prior year taxation	4,713,385	8,396,087
Deferred	20,064,077	83,000,000
	212,916,895	180,191,463

45.1 Super tax

The Finance Act, 2015 had levied a one-time super tax at the rate of 3 percent of the taxable income for companies having taxable income of above Rs. 500 million. This clause has been extended in the Finance Act, 2016 and an amount of Rs. 46.64 million has been recognised in this respect in the current tax charge.

45.2 Effective tax rate reconciliation

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

The numerical reconciliation between tax expense and accounting profit has not been presented for the Modaraba Management Company as the total income of the Subsidiary Company attracts minimum tax under section 113 of the Income Tax Ordinance, 2001.

45.3 Current status of pending tax assessments

Tax Year 1999 to 2000

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

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

Tax Year 2010 to 2015

Under Section 114 of the Income Tax Ordinance 2001, the Holding Company has filed the returns of income for tax years 2010 to 2015. The said returns were taken to be assessment orders passed by the Commissioner Inland Revenue on the day the said returns were filed other than tax year 2010.

Tax Year 2009-2010

Details of the assessment made by the Additional Commissioner Inland Revenue are provided in note 33.2.

- 45.4 The Finance Act, 2015 introduced income tax at the rate of 10% on undistributed reserves where such reserves of the company are in excess of its paid up capital and the company derives profits for a tax year but does not distribute requisite cash dividend within six months of the end of the said tax year. Liability in respect of such income tax, if any, is recognised when the prescribed time period for distribution of dividend expires. The Holding Company intends to distribute cash dividend in excess of forty percent of its after tax profits (refer note 54) and accordingly no provision for tax on undistributed reserves have been made in these consolidated financial statements.

In case of ORIX Modaraba provision for current taxation is based on taxable income for the year at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available, if any. The income of non-trading Modarabas is exempt from tax provided that not less than 90% of their profits for the year as reduced by amount transferred to a mandatory reserve as required under the provisions of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) are distributed to the certificate holders. The Modaraba intends to continue availing the tax exemption by distributing at least 90% of its profits to the certificate holders each year.

46 (LOSS) / PROFIT AFTER TAXATION FROM DISCONTINUED OPERATIONS	Note	2016 -----Rupees-----	2015
Income from operations		117,928,933	235,995,043
Direct cost of lease	46.2	(74,430,220)	(131,387,278)
Administrative and general expenses	46.3	(29,655,273)	(46,897,474)
Impairment loss on e-business assets		(24,666,751)	-
Provision against debtors		(5,336,452)	(5,895,366)
Gain on disposal		509,100	-
(Loss) / profit before taxation		(15,650,663)	51,814,925
Taxation - net		2,660,613	(8,808,537)
(Loss) / profit after taxation from discontinued operations		(12,990,050)	43,006,388

- 46.1 During the current year, the Holding Company discontinued its e-Business segment. This business was not aligned to the Holding Company's strategic objective of concentrating on its core leasing business. The technology available with the Holding Company was obsolete and revenues were expected to decline unless significant additional investment is made. The assets pertaining to e-Business segment amounted to Rs. 57.7 million which were sold for Rs. 32 million resulting in impairment loss of Rs. 30 million on 'remeasurement to fair value less cost to sell' which has been recognised in the current year.

46.2 Direct cost of lease	Note	2016 -----Rupees-----	2015
Maintenance and insurance		60,407,785	109,841,077
Depreciation - operating lease assets	5.2.3	9,871,935	18,239,174
Amortisation of intangible assets	6.3	4,150,500	3,307,027
		74,430,220	131,387,278

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

	Note	2016	2015
		-----Rupees-----	
46.3 Administrative and general expenses			
Salaries, allowances, welfare and training		13,698,236	23,716,754
Rent and utilities		8,034,952	12,524,289
Travelling		300,032	493,345
Vehicle running and maintenance		938,827	1,791,718
Insurance on operating assets		136,564	227,164
Legal and professional charges		1,500,000	-
Communication		1,481,697	2,357,773
Subscriptions		8,191	10,931
Advertising		-	204,246
Printing and stationery		298,335	473,630
Depreciation	5.1.4	1,005,163	1,786,520
Office repairs and maintenance of equipment		1,991,661	2,861,763
Office general expenses		261,615	449,341
		29,655,273	46,897,474
46.4 Cash flows of discontinued operations			
Net cash inflow from operating activities		(4,554,565)	81,310,407
Net cash inflow from investing activities (2016 includes an inflow of Rs. 5.33 million pertaining to sale of e-Business)		(10,844,596)	(22,199,412)
		(15,399,161)	59,110,995
47 OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES			
Profit before taxation		951,920,362	859,903,539
Adjustments for:			
Depreciation	5.1, 5.2 & 5.3	295,852,701	319,868,611
Amortisation	6.1	8,666,019	4,734,327
Amortisation of transaction cost	37	13,502,023	18,427,591
Provision for potential lease and other loan losses - net	40	254,733,304	121,674,976
Reversal for potential losses on investments	41	(2,606,534)	(1,599,473)
Provision for workers welfare fund	41	19,838,810	17,500,000
(Reversal) / Provision for other receivable	41	(16,362,927)	20,976,448
Provision for sales tax	41	2,933	-
Reversal of provision of equity accounted undertaking	41	(16,443,654)	-
Reversal of impairment of equity accounted undertaking	41	(24,095,384)	-
Impairment on available for sale securities	41	-	3,114,225
Impairment on e-Business assets	46	24,666,751	-
Provision against debtors (Discontinued operation)	46	5,336,452	5,895,366
Share of profit of equity accounted undertakings	36	(234,164,114)	(275,148,114)
Gain on hedging instruments	35	(4,428,556)	(10,904,427)
Exchange loss on long term borrowings	35	4,428,556	10,904,427
Other exchange (gain) / loss - net	35	(85,577)	116,609
Charge for defined benefit plan - gratuity fund	38.1	12,200,147	11,999,521
Unrealised loss / (gain) on remeasurement of financial assets at fair value through profit or loss	35	4,388,339	(5,424,860)
Finance cost	37	800,429,935	892,618,014
Profit on certificates of deposit	37	860,550,767	816,643,147
Dividend income	35	(7,727,555)	(566,639)
Exchange loss / (gain) on dividend received	35	341,945	(3,622)
Gain on bargain purchase	35	(235,795,155)	-
Capital gain on sale of investments	35	-	(75,690,780)
Return on investments and deposits	35	(4,844,794)	(4,911,906)
Interest income on government securities	35	(110,944,947)	(106,874,788)
Gain on disposal of fixed assets	35	(10,524,141)	(19,917,864)
		1,636,915,344	1,743,430,789
		2,588,835,706	2,603,334,328

Notes to and Forming Part of the Consolidated Financial Statements

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	Note	2016	2015
-----Rupees-----			
48 CASH AND CASH EQUIVALENTS			
Cash at bank	17	612,133,573	171,964,632
Cash in hand	17	1,266,472	1,321,720
Short - term running finance facilities	30	(809,208,372)	(884,301,394)
Musharika finance	30	(9,662,350)	-
		(205,470,677)	(711,015,042)

	2016	2015
Number of staff		
49 STAFF STRENGTH		
Group's staff strength at the end of the year	475	458
Average number of employees*	473	454

* Represents the average taken of the number of employees at the end of each month in the year. This average has been calculated for Group's employees.

50 PROVIDENT FUND RELATED DISCLOSURES

The Company operates a Staff Provident Fund for its employees. The following information is based on the financial statements of the Fund as at June 30, 2016 (unaudited) and 2015 (audited):

	2016 Unaudited	2015 Audited
-----Rupees-----		
Size of the Fund - Total assets	388,589,887	389,915,608
Fair value of investments	373,795,726	376,509,205
------(Percentage)-----		
Percentage of investments made	96%	97%

The cost of the above investments amounted to Rs. 347.70 million (2015: Rs 348.09 million).

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

	Unaudited 2016	Audited 2015	Unaudited 2016	Audited 2015
-----Percentage-----		-----Rupees-----		
Cash and Bank deposits	1.23%	1.10%	4,601,639	4,136,458
Government securities				
- Treasury Bills	-	10.80%	-	40,673,263
- National Savings Certificate	35.74%	25.08%	133,596,426	94,442,950
- Pakistan Investment Bonds	63.03%	62.36%	235,597,661	234,757,739
Mutual funds - listed	-	0.66%	-	2,498,795
	100%	100%	373,795,726	376,509,205

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

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

51 FINANCIAL INSTRUMENTS BY CATEGORY

	2016				Total
	Loans and receivables	Held to maturity	At fair value through profit and loss	Available for sale	
----- Rupees -----					
ASSETS					
Net investment in finance lease	26,271,915,580	-	-	-	26,271,915,580
Long term investments	-	433,552,335	-	13,160,300	446,712,635
Long term finances and loans	4,351,701,874	-	-	-	4,351,701,874
Short term finances	410,078,513	-	-	-	410,078,513
Accrued return on investments and term finance	105,673,893	-	-	-	105,673,893
Short term investments	-	-	610,536,907	608,440,239	1,218,977,146
Other receivables	186,151,040	-	-	-	186,151,040
Cash and bank balances	613,400,045	-	-	-	613,400,045
	31,938,920,945	433,552,335	610,536,907	621,600,539	33,604,610,726

	2016		Total
	At fair value through profit and loss	Other financial liabilities at amortised cost	
----- Rupees -----			
LIABILITIES			
Long term finances	-	9,445,111,970	9,445,111,970
Certificates of deposit	-	9,749,958,827	9,749,958,827
Other long term liabilities	-	258,983,005	258,983,005
Trade and other payables	-	835,603,016	835,603,016
Accrued interest / mark-up / profit on loans, finances and certificates of deposit	-	440,256,946	440,256,946
Short term borrowings	-	1,918,586,604	1,918,586,604
Redeemable Capital	-	2,793,605,000	2,793,605,000
	-	25,442,105,368	25,442,105,368

	2015				Total
	Loans and receivables	Held to maturity	At fair value through profit and loss	Available for sale	
----- Rupees -----					
ASSETS					
Net investment in finance lease	20,823,948,377	-	-	-	20,823,948,377
Long term investments	-	14,404,648	-	-	14,404,648
Long term finances and loans	2,348,900,011	-	-	-	2,348,900,011
Short term finances	544,177,360	-	-	-	544,177,360
Accrued return on investments and term finance	74,783,699	-	-	-	74,783,699
Short term investments	-	-	482,523,845	631,419,064	1,113,942,909
Other receivables	151,818,110	-	-	-	151,818,110
Cash and bank balances	173,286,352	-	-	-	173,286,352
	24,116,913,909	14,404,648	482,523,845	631,419,064	25,245,261,466

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

	2015		Total
	At fair value through profit and loss	Other financial liabilities at amortised cost	
	----- Rupees -----		
LIABILITIES			
Long term finances	-	8,033,455,235	8,033,455,235
Certificates of deposit	-	6,983,258,717	6,983,258,717
Other long term liabilities	-	268,234,514	268,234,514
Trade and other payables	-	548,853,987	548,853,987
Accrued interest / mark-up /profit on loans, finances and certificates of deposit	-	396,034,085	396,034,085
Short term borrowings	-	884,301,394	884,301,394
Redeemable Capital	-	-	-
	-	17,114,137,932	17,114,137,932

52 FINANCIAL RISK MANAGEMENT

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

52.1 Market Risk

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

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

52.1.1 Currency risk

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

	2016	2015
	-----Rupees-----	
Long term loans	-	290,571,518
Foreign currency bank account	2,941,907	2,859,017
Investment in associated undertakings	2,266,192,717	2,176,352,899
Accrued interest on long term financing	-	16,079,833

The Holding Company has major currency risk in Omani Riyal on account of investment in associated undertakings, at the reporting date, if the PKR has strengthened / weakened by 10% against Omani Riyal with all other variables held constant, pre-tax profit for the year, in the absence of effective hedge on its foreign currency assets and liabilities would have been higher / lower by an amount of Rs. 16.71 million.

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

Notes to and Forming Part of the Consolidated Financial Statements

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52.1.2 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's floating interest rates long-term debt obligations and financial assets.

2016								
On-balance sheet financial instruments	Effective yield / profit rate %	Total	Upto one month	Over one month to three months	Over three months to one year	Over one year to five years	Over five years	Not exposed to yield / profit rate risk
----- (Rupees) -----								
Financial Assets								
Net investment in finance lease	7.59% - 25.00%	26,271,915,580	1,756,855,983	1,809,209,455	8,213,998,967	14,491,851,175	-	-
Long term investments	9.60% - 12.00%	446,712,635	359,971,600	-	-	73,580,735	-	13,160,300
Long term finances and loans	5.00% - 35.78%	4,351,701,874	386,975,896	262,156,484	1,131,080,332	1,979,702,180	591,786,982	-
Short term finances	9.50% - 35.08%	410,078,513	196,751,770	63,141,987	150,184,756	-	-	-
Accrued return on investments and term finance	-	105,673,893	-	-	-	-	-	105,673,893
Short term investments	5.81% - 11.97%	1,218,977,146	-	-	1,203,917,479	-	-	15,059,667
Other receivables	-	186,151,040	-	-	-	-	-	186,151,040
Cash and bank balances	2.60% - 5.50%	613,400,045	254,844,299	-	-	-	-	358,555,746
Total		33,604,610,726	2,955,399,548	2,134,507,926	10,699,181,534	16,545,134,090	591,786,982	678,600,646
Financial Liabilities								
Long term finances	6.25% - 7.61%	9,445,111,970	91,666,667	459,272,916	2,576,660,040	6,317,512,347	-	-
Certificates of deposit	3.5% - 15%	9,749,958,827	204,661,029	931,285,147	2,739,839,985	4,730,014,743	1,144,157,923	-
Other long term liabilities	-	258,983,005	-	-	-	-	-	258,983,005
Trade and other payables	-	835,603,016	-	-	-	-	-	835,603,016
Accrued interest / mark-up / profit on loans, finances and certificates of deposit	-	440,256,946	-	-	-	-	-	440,256,946
Short term borrowings	6.75% - 7.85%	1,918,586,604	9,662,350	908,924,254	1,000,000,000	-	-	-
Redeemable Capital	-	2,793,605,000	2,400,000	317,340,000	1,790,585,000	599,045,000	-	84,235,000
Total		25,442,105,368	308,390,046	2,616,822,317	8,107,085,025	11,646,572,090	1,144,157,923	1,619,077,967
On-balance sheet gap		8,162,505,358	2,647,009,502	(482,314,391)	2,592,096,509	4,898,562,000	(552,370,941)	(940,477,321)

2015								
On-balance sheet financial instruments	Effective yield / profit rate %	Total	Upto one month	Over one month to three months	Over three months to one year	Over one year to five years	Over five years	Not exposed to yield / profit rate risk
----- (Rupees) -----								
Financial Assets								
Net investment in finance lease	11.25% - 25.00%	20,823,948,377	1,327,842,220	1,422,714,564	5,996,165,741	12,077,225,852	-	-
Long term investments	9.60%	14,404,648	-	-	-	14,404,648	-	-
Long term finances and loans	5.00% - 36.00%	2,348,900,011	344,092,390	171,780,713	703,506,069	1,129,520,839	-	-
Short term finances	10.50% - 38.00%	544,177,360	201,856,418	105,595,668	236,725,274	-	-	-
Accrued return on investments and term finance	-	74,783,699	-	-	-	-	-	74,783,699
Short term investments	6.73% - 11.97%	1,113,942,909	-	-	1,113,942,909	-	-	-
Other receivables	-	151,818,110	-	-	-	-	-	151,818,110
Cash and bank balances	3.00% - 5.50%	173,286,352	47,204,724	-	-	-	-	126,081,628
Total		25,245,261,466	1,920,995,752	1,700,090,945	8,050,339,993	13,221,151,339	-	352,683,437
Financial Liabilities								
Long term finances	7.91% - 12.23%	8,033,455,235	566,666,667	179,369,539	2,548,352,883	4,739,066,146	-	-
Long term loans	-	410,870,785	208,070,702	40,949,500	161,850,583	-	-	-
Certificates of deposit	6.78% - 15.50%	6,983,258,717	154,956,428	438,600,700	1,252,758,238	3,895,983,822	1,240,959,529	-
Other long term liabilities	-	268,234,514	-	-	-	-	-	268,234,514
Trade and other payables	-	548,853,987	-	-	-	-	-	548,853,987
Accrued interest / mark-up / profit on loans, finances and certificates of deposit	-	396,034,085	-	-	-	-	-	396,034,085
Short term borrowings	7.56% - 9.50%	884,301,394	-	-	884,301,394	-	-	-
Total		17,525,008,717	929,693,797	658,919,739	4,847,263,098	8,635,049,968	1,240,959,529	1,213,122,586
On-balance sheet gap		7,720,252,749	991,301,955	1,041,171,206	3,203,076,895	4,586,101,371	(1,240,959,529)	(860,439,149)

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

a) Sensitivity analysis for variable rate financial instruments

Presently, the Group does not hold any variable rate financial instrument carried at 'fair value through profit or loss' and is not exposed to cash flow interest rate risk except for balances in certain saving accounts. The interest rate of these bank accounts ranges from 2.60% to 5.50%. (2015: 3.00% to 5.50%).

b) Sensitivity analysis for fixed rate financial instruments

As at June 30, 2016, the Holding Company holds market treasury bills and Pakistan Investment Bonds which are classified as 'financial assets at fair value through profit or loss' and 'available for sale' respectively, exposing the Holding Company to fair value interest rate risk. In case of 100 basis points increase in rates announced by the Financial Markets Association of Pakistan for market treasury bills and Pakistan Investment Bonds with all other variables held constant, the net income for the year and net assets of the Company would have been lower by Rs. 2.12 million. In case of 100 basis points decrease in those rates, the net income for the year and net assets of the Holding Company would have been higher by Rs. 2.14 million.

52.1.3 Other Price Risk

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

Other price risk arises when the Group has made investment in shares of listed company or mutual funds. Currently, investment is made in units of National Investment (unit) Trust classified as available-for-sale financial assets. The investments are marked to market based on the net asset value which is declared on a daily basis. The management of subsidiary company's reviews this investment on a regular basis. Furthermore, the Board of Directors of the subsidiary Company also reviews and approves all significant investment decisions.

52.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The risk is generally limited to principal amounts and accrued profit thereon if any. The Group 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 Group 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 Group'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 Group's performance to developments affecting a particular industry or geographic location. Out of the total assets of Rs. 40,343 million (2015: Rs. 28,317 million) the assets which were subject to credit risk amounted to Rs. 32,033 million (2015: Rs. 24,164 million). Significant concentrations of the Group's risk assets by industry sector and geographical region are set out in notes 52.2.1 to 52.2.3.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

The maximum exposure to credit risk at the reporting date is:	2016	2015
	-----Rupees-----	
Net investment in finance lease	26,271,915,580	20,823,948,377
Long term finances and loans	4,351,701,874	2,348,900,011
Short term finances	410,078,513	544,177,360
Long term investments	59,403,713	3,265,627
Accrued return on investments and term finance	105,673,893	74,783,699
Short term investments	23,060,194	35,320,358
Net investment in Ijarah Finance	1,504,443	-
Other receivables	186,151,040	151,818,110
Long term deposits	11,361,208	10,048,864
Bank balances	612,133,573	171,964,632
	32,032,984,031	24,164,227,038

The Group 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 Group has established exposure limits for single lessees and industrial sectors. The Group 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 receivables which are past due are as under:

	2016				
	Finance Lease (Net of Security Deposit)	Finance & Loan	Investment & Other receivables	Net investment in Ijarah finance	Total
	-----Rupees-----				
90 - 180 days	96,312,316	16,272,121	10,853,464	-	123,437,901
181 - 365 days	86,625,093	11,006,855	5,295,375	-	102,927,323
Over 1 Year	601,125,194	353,214,491	138,697,487	1,134,443	1,094,171,615
	784,062,603	380,493,467	154,846,326	1,134,443	1,320,536,839
Watch list clients	163,304,089	-	1,400,000	-	164,704,089
	947,366,692	380,493,467	156,246,326	1,134,443	1,485,240,928
Less: Provision	947,366,692	380,493,467	156,246,326	1,134,443	1,485,240,928
Net of Provision	-	-	-	-	-
Coverage Ratio	100%	100%	100%	100%	100%

	2015				
	Finance Lease (Net of Security Deposit)	Finance & Loan	Investment & Other receivables	Net investment in Ijarah finance	Total
	-----Rupees-----				
90 - 180 days	74,714,000	24,548,688	17,321,720	-	116,584,408
181 - 365 days	17,462,000	514,272	18,594,730	-	36,571,002
Over 1 Year	581,241,758	352,790,740	70,141,210	-	1,004,173,708
	673,417,758	377,853,700	106,057,660	-	1,157,329,118
Watch list clients	47,958,238	9,222,806	-	-	57,181,044
	721,375,996	387,076,506	106,057,660	-	1,214,510,162
Less: Provision	721,375,996	387,076,506	106,057,660	-	1,214,510,162
Net of Provision	-	-	-	-	-
Coverage Ratio	100.00%	100.00%	100.00%	0.00%	100.00%

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

The Group has made appropriate provisions in respect of these past due. The provisions have been made keeping in view the time based criteria of the NBFC Regulations. In addition, the Group has also maintained additional provisions of Rs. 447.97 million on a prudent basis, in view of the prevailing economic conditions.

The Group has adequate provision of Rs. 1,485 million (2015: Rs. 1,215 million) against these past dues.

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

The analysis below summarises the credit rating quality of the Group's net financial assets as at June 30, 2016:

	2016	2015
	-----Rupees-----	
Bank balances		
AAA	373,259,333	50,623,182
AA+	218,852,390	101,376,976
AA	462,192	108,592
AA-	122,972	323,435
A+	18,220,211	18,360,397
A	65,092	64,535
A-	341,609	341,609
A1	262,241	-
A2	-	234,094
A3	-	266,221
State Bank of Pakistan	547,533	265,591
	612,133,573	171,964,632
Term Finance Certificates - listed		
AA+	-	10,991,520
Units of collective investment scheme		
AM2	13,160,300	-

52.2.1 Segment by class of business

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

Sectors	2016		2015	
	(Rupees)	%	(Rupees)	%
Individuals (Auto Lease)	5,691,732,150	18.45%	4,771,283,302	20.20%
Goods Transport	5,220,592,811	16.92%	3,033,431,207	12.84%
Services	3,817,101,676	12.37%	2,876,674,575	12.18%
Distributor	2,575,222,898	8.34%	1,462,718,782	6.19%
Public Transport	2,102,906,241	6.81%	1,605,893,494	6.80%
Textile & Allied	1,890,335,688	6.13%	1,718,009,173	7.27%
Miscellaneous	1,561,745,276	5.06%	1,335,284,472	5.65%
Food & Allied	1,188,317,423	3.85%	863,706,741	3.66%
Steel & Engineering	1,098,678,218	3.56%	958,370,556	4.06%
Chemical & Pharmaceutical	1,075,064,318	3.48%	485,419,681	2.06%
Sugar	862,107,550	2.79%	335,979,550	1.42%
Construction	818,275,577	2.65%	526,274,923	2.23%
Fuel & Energy	777,358,104	2.52%	1,251,279,232	5.30%
Trading	748,851,360	2.43%	1,190,471,436	5.04%
Glass, Ceramics & Plastic	616,409,309	2.00%	419,863,943	1.78%
Paper, Board & Printing	587,530,175	1.90%	542,686,323	2.30%
Cables, Electric And Electronic Goods	229,386,408	0.74%	240,179,467	1.02%
	30,861,615,182	100%	23,617,526,857	100.00%

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

	2016	2015
	-----Rupees-----	
Net investment in finance leases	26,271,915,580	20,823,948,377
Other advances	4,589,699,602	2,793,578,480
	30,861,615,182	23,617,526,857

52.2.2 Segment by sector

The Holding Company's net investment in finance lease include exposure to Government / Public sector amounted to Rs. Nil million (2015: Rs. 5.27 million) and the balance Rs. 26,272 million (2015: Rs. 20,824 million) represents exposure to private sector.

52.2.3 Geographical segment analysis

The Group's operations are restricted to Pakistan only.

52.3 Liquidity Risk

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

The table below summarises the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2016				
	Carrying amount	Contractual cash flows	Upto three months	More than three months and upto one year	More than one year
	------(Rupees)-----				
Long term finances	9,445,111,970	10,530,803,345	717,828,362	2,971,038,396	6,841,936,587
Certificates of deposit	9,749,958,827	12,289,868,186	508,634,932	3,535,692,298	8,245,540,956
Trade and other payables	835,603,016	835,603,016	835,603,016	-	-
Accrued interest / mark-up /profit on loans, finances and certificates of deposit	699,239,951	699,239,951	176,234,223	264,022,723	258,983,005
Short term borrowings	1,918,586,604	2,120,486,539	1,087,286,539	1,033,200,000	-
Redeemable capital - Musharika certificates	2,793,605,000	2,968,127,755	44,165,905	53,007,328	2,870,954,522
	25,442,105,368	29,444,128,792	3,369,752,977	7,856,960,745	18,217,415,070

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

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

52.4 Fair values of financial assets and liabilities

The fair value of investments classified as “at fair value through profit or loss” and “available for sale” are based on active market. The investment in associates are accounted for using the equity method while the subsidiaries has been kept at cost. The value of unquoted equity investments is reduced, if required, on the basis of break-up value of those investments based on the latest available audited financial statements.

Fair value of Net Investments in Finance Lease, Long term loans and finances, long term deposits and other assets, other liabilities and long term certificate of deposits and other accounts cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of finance lease and long term loans and finances has been calculated in accordance with the Group’s accounting policy and requirements of Non Banking Finance Companies and Notified Entities Regulations, 2008.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these assets and liabilities are short term in nature.

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

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

RECURRING FAIR VALUE MEASUREMENTS	2016				Total
	Level 1	Level 2	Level 3	(Rupees)	
Financial assets					
Investments - Net					
Available for sale securities					
Pakistan investment bond (PIBs)	-	593,380,572	-		593,380,572
Fair value through profit or loss					
Treasury bills	-	610,536,907	-		610,536,907
Non-financial assets					
Property, plant and equipment (Leasehold land & building)	-	432,246,647	-		432,246,647
Total	-	1,636,164,126	-		1,636,164,126

Investment in associates (Oman ORIX Leasing Company SAOG) have market value of Rs. 898.48 million as disclosed in note 8.1.2 to the financial statements which is being valued under level 1. These are carried under equity method of accounting in the financial statements in accordance with the Group’s accounting policy.

Item	Valuation approach and input used
PIBs T-Bills	The fair value of PIBs and T-Bills are derived using PKRV rates. The PKRV rates are announced by Financial Market Association (FMA) through Reuters. The rates announced are simple average of quotes received from 8 different pre-defined / approved dealers / brokers.
Property, plant and equipment (Leasehold land & building)	The revaluation by the valuer is carried on the basis of professional assessment of present market values.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

52.5 Capital risk management

The objective of the Holding 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 Holding 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 Holding Company may adjust the amount of dividend paid to its shareholders or issue new shares.

As required under the NBFC Regulations, every leasing company involved in deposit taking shall maintain minimum equity requirement of Rs. 500 million at all times. The Holding Company has maintained and complied with the minimum equity requirement during the current year.

53 EARNINGS PER SHARE - basic and diluted	2016	2015
	-----Rupees-----	
Profit from continuing operations attributable to the ordinary equity holders of the holding company	754,654,130	627,897,151
Profit from discontinued operations for the period	(12,990,050)	43,006,388
Profit after tax	741,664,080	670,903,539
Weighted average number of ordinary shares	82,052,930	82,052,930
Profit attributable to the ordinary equity holders of the holding company used in calculating basic earnings per share:		
- From continuing operations	754,508,598	627,897,151
- From discontinued operations	(12,990,050)	43,006,388
	741,518,548	670,903,539
Earnings per share - basic and diluted		
- From continuing operations	9.20	7.65
- From discontinued operations	(0.16)	0.53
- Total	9.04	8.18

53.1 Diluted earnings per share has not been presented separately as the Holding Company does not have any convertible instruments in issue at June 30, 2016 and June 30, 2015 which would have any effect on the earnings per share if the option to convert is exercised.

54 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Holding Company in its meeting held on September 29, 2016 proposed a final dividend of Rs. 4.5 per share (2015: Rs. 4.5 per share) for the year ended June 30, 2016, amounting to Rs. 369,372,573 (2015: Rs. 369,238,185) for approval of members at the Annual General Meeting to be held on October 29, 2016. The consolidated financial statements for the year ended June 30, 2016 do not include the effect of the proposed dividend which will be accounted for in the consolidated financial statements for the year ending June 30, 2017.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

55 COMPARATIVES

Comparative information in these consolidated financial statements are the same as reported in the annual published financial statements of ORIX Leasing Pakistan Limited and has been reclassified, rearranged, additionally incorporated in these consolidated financial statements for the purposes of better presentation. 'Profit and loss account' of e-Business has been represented as discontinued operations and comparative information has been rearranged accordingly. There were no other major reclassifications during the year.

56 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on September 29, 2016 by the Board of Directors of the Holding Company.



Shaheen Amin
Chief Executive



Khalid Aziz Mirza
Chairman

Pattern of Shareholdings

As at June 30, 2016

NO. OF SHAREHOLDERS	FROM	TO	SHARES HELD	PERCENTAGE
1719	1	100	47,562	0.06%
704	101	500	187,679	0.23%
261	501	1000	206,183	0.25%
436	1001	5000	1,044,493	1.27%
117	5001	10000	883,510	1.08%
66	10001	15000	805,027	0.98%
36	15001	20000	673,200	0.82%
19	20001	25000	433,197	0.53%
18	25001	30000	508,745	0.62%
8	30001	35000	266,909	0.33%
4	35001	40000	158,045	0.19%
5	40001	45000	214,213	0.26%
3	45001	50000	150,000	0.18%
1	50001	55000	50,500	0.06%
3	55001	60000	168,335	0.21%
1	60001	65000	62,000	0.08%
3	65001	70000	206,210	0.25%
3	80001	85000	246,753	0.30%
1	90001	95000	95,000	0.12%
4	95001	100000	398,000	0.48%
1	100001	105000	100,681	0.12%
2	105001	110000	212,656	0.26%
1	115001	120000	116,500	0.14%
2	120001	125000	248,500	0.30%
1	130001	135000	132,000	0.16%
2	150001	155000	300,584	0.37%
2	155001	160000	311,609	0.38%
1	160001	165000	164,125	0.20%
1	175001	180000	180,000	0.22%
1	200001	205000	200,500	0.24%
2	225001	230000	455,500	0.55%
1	235001	240000	236,500	0.29%
1	245001	250000	250,000	0.30%
1	260001	265000	263,000	0.32%
1	265001	270000	265,457	0.32%
2	285001	290000	578,502	0.70%
3	295001	300000	900,000	1.10%
1	330001	335000	334,238	0.41%
1	335001	340000	340,000	0.41%
1	345001	350000	350,000	0.43%
3	360001	365000	1,090,090	1.33%
1	390001	395000	391,790	0.48%
1	410001	415000	414,562	0.51%
1	435001	440000	439,367	0.54%
1	450001	455000	451,047	0.55%
1	475001	480000	479,000	0.58%
1	480001	485000	483,000	0.59%
2	495001	500000	997,000	1.21%
1	500001	505000	504,000	0.61%
1	505001	510000	506,747	0.62%
1	690001	695000	693,500	0.84%
1	700001	705000	700,080	0.85%
1	745001	750000	750,000	0.91%
1	945001	950000	949,500	1.16%
1	980001	985000	980,022	1.19%
1	1175001	1180000	1,176,293	1.43%
1	1435001	1440000	1,440,000	1.75%
1	4235001	4240000	4,237,290	5.16%
1	4310001	4315000	4,310,902	5.25%
1	7650001	7655000	7,650,852	9.32%
1	40690001	40695000	40,691,839	49.57%
3464			82,082,794	100.00%

Pattern of Shareholdings

As at June 30, 2016

Categories of Shareholders	Number of Shares held	Category wise Number of Shareholders	Category wise Shares held	Percentage
Individuals	-	3,309	14,019,513	17.08%
Joint Stock Companies	-	31	2,663,242	3.24%
Directors, Chief Executive Officer and their Spouse and Minor Children				
Mr. Shahid Usman	20,500			
Ms. Nargis Ghaloo*	1,500			
Mr. Harukazu Yamaguchi	575			
Mr. Kazuhito Inoue**	575			
Mr. Shaheen Amin	575			
		5	23,725	0.03%
Executives		35	130,146	0.16%
Associated Companies, Undertakings and Related Parties				
ORIX Corporation		1	40,691,839	49.57%
Public Sector Companies and Corporations		2	5,763,597	7.02%
Banks, DFIs, NBFCs, Insurance Companies, Takaful, Modarabas, Pension Funds and Mutual Funds		13	3,959,093	4.82%
NIT/ICP		1	700,080	0.85%
Foreign Investors		53	13,770,173	16.78%
Others		14	361,386	0.44%
Total		3,464	82,082,794	100.00%

Additional Information

Shareholders holding five percent or more voting rights

Aberdeen Asian Smaller Companies Investment Trust PLC	4,237,290	5.16%
State Life Insurance Corporation of Pakistan	4,310,902	5.25%
Majid Al Futtaim Trust LLC	7,650,852	9.32%
ORIX Corporation	40,691,839	49.57%
Total	56,890,883	69.31%

Trading in Shares by Directors & Executives During the year 2015-16

By Directors

Name of Shareholder	Designation	Number of Shares	Sale/Purchase
Ms. Nargis Ghaloo*	Non Executive Director	1,500	Purchase

By Executives

Name of Shareholder	Designation	Number of Shares	Sale/Purchase
Mr. Asad Ali Sheikh	Head of Compliance	10,000	Sale

* Resigned as Director on September 29, 2016

** Resigned as Director on August 08, 2016

Parent Company

ORIX CORPORATION

Tokyo Headquarters, World Trade Center Building
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Minato-ku, Tokyo 105-6135, Japan
Tel:(81)-3-3435-3145
Fax:(81)-3-3435-3163
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Associated Companies Overseas Joint Ventures

Oman Orix Leasing Company SAOG

2nd & 3rd Floor, Rumaila 106, Watayah,
P.O.Box 106, Postal code 118,Muscat
Sultanate of Oman
Tel:(968) 24661900
Fax:(968) 24565610, 24567940
www.omanorix.com

ORIX Leasing Egypt SAE

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Garden City, Cairo 11461, Egypt
Tel: (202) 27922757-9
Fax: (202) 27922760
www.orix-egypt.com

Al Hail Orix Finance PSC

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Burj Khalifa, Dubai-UAE
Tel: (971) 43691600
Fax: (971) 44310623
www.alhailorix.ae

Saudi Orix Leasing Company

P.O. Box 22890, Riyadh 11416
343 Al Ma'ather Street, Riyadh
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


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-  Risk profiler*
-  Financial calculator
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-  Online Quizzes



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 @jamapunji_pk

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



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 Thirtieth Annual General Meeting of the Company to be held on October 29, 2016 and at any adjournment thereof.

Signature this _____ Year 2016
(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. _____

Note:

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



اوریکس لیزنگ پاکستان لمیٹڈ

پراکسی فارم

میں مسمیٰ / مسماة _____ ساکن _____
ضلع _____ بحیثیت ممبر اوریکس لیزنگ پاکستان لمیٹڈ، مسمیٰ / مسماة _____
ساکن _____ کو بطور مختار (پراکسی) مقرر کرتا ہوں تاکہ وہ میری جگہ اور میری طرف
سے کمپنی کے تیسویں سالانہ اجلاس عام جو بتاریخ 29 اکتوبر 2016ء بروز ہفتہ منعقد ہو رہا ہے، میں اور اس کے کسی ملتوی شدہ
اجلاس میں ووٹ ڈالے۔

دستخط کی تاریخ _____

ڈاک ٹکٹ منسلک کریں

ممبر کے دستخط _____

فولیو نمبر _____

شیئروں کی تعداد _____

دستخط اور کمپنی کی مہر

گواہوں کے دستخط اور پتے

۱.

۲.

نوٹ:

- ۱- اجلاس عام میں شرکت اور رائے دہی کا اہل ممبر اپنی جانب سے شرکت اور رائے دہی کے لئے اپنا پراکسی مقرر کر سکتا ہے پراکسی کا کمپنی کا ممبر ہونا ضروری نہیں۔
- ۲- یہ فارم ممبر یا اس کے اٹارنی کی جانب سے جسے تحریری طور پر اتھارائزڈ کیا گیا ہو، کی جانب سے دستخط کیا جائے۔ اگر ممبر کوئی کارپوریشن ہے تو اس کی عام مہر موجود ہونی چاہیے۔
- ۳- پراکسی کی تقرری کے دستاویز پاور آف اٹارنی یا دیگر دستاویز جس کے تحت تقرری ہوئی یا پاور آف اٹارنی کی تصدیق شدہ کاپی اجلاس کے انعقاد سے کم از کم 48 گھنٹہ قبل جمع کرانی ہوگی۔
- ۴- سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو پراکسی فارم کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی منسلک کرنی ہوگی۔ پراکسی کو اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔ کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد / پاور آف اٹارنی بمعہ نمونہ دستخط ہمراہ پراکسی فارم جمع کرانا ہونگے۔

GEOGRAPHICAL

PRESENCE

Korangi Office

Head Office

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

Registered Office

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

Hyderabad

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

Lahore Zone

76-B, E-T, Main Boulevard, Gulberg III, Lahore.
Tel: 042-35782586-93 UAN: 111 24 24 24

Batapur/Jallo More

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

Kot Abdul Malik

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

Manga Mandi

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

Sharaqpur

Main Lahore Jaranwala Road,
Opposite Government Pilot High School
Sharaqpur Sharif, District Sheikhpura
Cell 0307-4635510
Tel: 056-2590021

Chunian

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

Faisalabad Zone

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

Sargodha

A.R. Tower, Adjacent Q s International Hotel
University Road, Sargodha.
Tel:048-3729521, 3740091
Fax: 048-3729522

Sahiwal

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

Jhang

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

Bhalwal

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

Sillanwali

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

Sahiwal Micro Finance

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

Sialkot Zone

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

Gujrat

Office No.1, First Floor, Empire Centre,
Opp. Small Industrial Estate Gate No, 1,
G.T. Road, Gujrat
Tel: 053-3515282, 3536953
Fax: 053-3536854

Gujranwala

76-ABC, Block - P, Trust Plaza,
G.T. Road, Gujranwala.
Tel: 055-3731021-22
Fax: 055-3250599

Islamabad Zone

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

Rawalpindi

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

Mirpur A.K.

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

Chakwal

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

Multan Zone

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

Rahim Yar Khan

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

Bahawalpur

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

Renala Khurd

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

Pattoki

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

Peshawar Zone

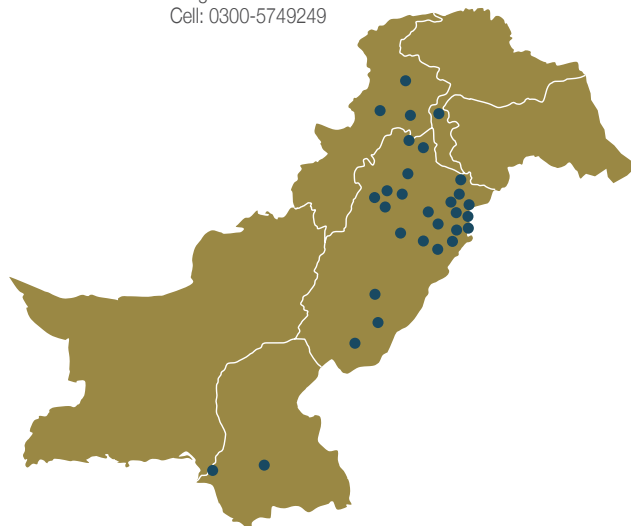
Ground Floor, State Life Building
The Mall, Peshawar.
Tel: 091- 5278647, 5279789, 5285541,
5285520
Fax: 091-5273389

Abbottabad

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

Mingora

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



www.orixpakistan.com



ORIX Leasing Pakistan Limited

Plot No. 16, Sector No. 24,
Korangi Industrial Area,
Karachi-74900, Pakistan

