

# Half Yearly Report 2018 - 2019



ORIX Leasing Pakistan Limited





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# Company Information

## Board of Directors

**Mr. Khalid Aziz Mirza**

Chairman and Independent  
Non-Executive Director

**Mr. Nasim Hyder**

Independent Non-Executive Director

**Mr. Naveed Kamran Baloch**

Independent Non-Executive Director

**Ms. Aminah Zahid Zaheer**

Independent Non-Executive Director

**Mr. Harukazu Yamaguchi**

Non-Executive Director

**Mr. Kiyokazu Ishinabe**

Non-Executive Director

**Mr. Takashi Nakayama**

Non-Executive Director

**Mr. Ikuo Nakamura**

Non-Executive Director

**Mr. Shaheen Amin**

Chief Executive Officer and Executive  
Director

## Audit Committee

**Mr. Nasim Hyder**

Chairman

**Ms. Aminah Zahid Zaheer**

Member

**Mr. Kiyokazu Ishinabe**

Member

**Mr. Takashi Nakayama**

Member

## Human Resource, Nomination and Remuneration Committee

**Mr. Khalid Aziz Mirza**

Chairman

**Mr. Naveed Kamran Baloch**

Member

**Mr. Takashi Nakayama**

Member

**Mr. Ikuo Nakamura**

Member

## Risk Committee

**Ms. Aminah Zahid Zaheer**

Chairperson

**Mr. Nasim Hyder**

Member

**Mr. Kiyokazu Ishinabe**

Member

**Mr. Shaheen Amin**

Member

## Credit Committee

**Mr. Shaheen Amin**

Member

**Mr. Arshad Abbas**

Member

**Mr. Ramon Alfrey**

Member

**Mr. Hiralal Bharvani**

Member

**Mian Faysal Riaz**

Member

**Mr. Imtiaz Ahmad Chaudhary**

Member

## Deputy Chief Executive Officer

**Mr. Arshad Abbas**

## Chief Financial Officer

**Ms. Maryam Aziz**

## Company Secretary

**Dr. Fakhara Rizwan**

## Head of Internal Audit and Secretary to Audit Committee

**Ms. Effat Assad**

## Head of Compliance

**Mr. Rashid Ahmed**

## The Management Team

**Mr. Ramon Alfrey**

Group General Manager - Planning and  
Strategy

**Mian Faysal Riaz**

Group General Manager - Marketing

**Mr. Hiralal Bharvani**

Head - Risk Management

**Mr. M. Ayub Khan**

Head - Special Assets Management

**Mr. Imtiaz Ahmad Chaudhary**

Head - Corporate Division

**Mr. Tahir Ali Shah**

Head - Commercial Vehicle Division

**Mr. Khawar Sultan**

Head - Consumer Auto Division

**Mr. Shakeel Akhtar Qureshi**

Head - Micro Finance Division

**Mr. Hamood Ahmed**

Head - Business Control

**Mr. Muhammad Ikram**

Head - Information Systems

**Mr. Jamal Saeed Dar**

Head - Operating Lease

**Lt Col (Retd) Saad Saeed Ahmed**

Head - Administration

## Shariah Advisor

Al Hamd Shariah Advisory Services (Private)  
Limited

## Credit Rating by The Pakistan Credit Rating Agency

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

## Auditors

KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2  
Beaumont Road, Karachi-75530

## Legal Advisors

M/s Mansoor Ahmad Khan & Co.  
M/s Mohsin Tayabaly & Co.

## Registrar and Share Transfer Office

FAMCO Associates (Pvt) Limited,  
8-F, Near Hotel Faran, Nursery, Block-6,  
P. E. C. H. S., Shahr-e-Faisal,  
Karachi.  
Tel: (92-21) 34380101-5, 34384621-3

## Banks and Lending Institutions

Al Baraka Bank (Pakistan) Limited  
Allied Bank Limited  
Askari Bank Limited  
Bank Al Habib Limited  
Bank Alfalah Limited  
BankIslami Pakistan Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metro Bank Limited  
JS Bank Limited  
Karandaaz Pakistan  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
PAIR Investment Company Limited  
Pak Oman Investment Company Ltd.  
Soneri Bank Limited  
Standard Chartered Bank (Pakistan) Ltd.  
The Bank of Khyber  
United Bank Limited

## 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

# Parent, Subsidiaries and Associated Companies

## PARENT COMPANY

### **ORIX Corporation**

Tokyo Headquarters  
World Trade Center Building, 2-4-1 Hamamatsu-cho  
Minato-ku, Tokyo 105-6135, Japan  
Tel:(81)-3-3435-3145  
Fax:(81)-3-3435-3163  
[www.orix.co.jp](http://www.orix.co.jp)

## SUBSIDIARIES

### **ORIX Services Pakistan (Private) Limited**

Office 601, 6th Floor,  
Syedna Tahir Saifuddin Memorial Trust Building  
Civil Lines, Beaumont Road,  
Karachi, Pakistan  
Tel: (021) 35930000

### **ORIX Modaraba**

Office 601, 6th Floor,  
Syedna Tahir Saifuddin  
Memorial Trust Building  
Civil Lines, Beaumont Road,  
Karachi, Pakistan  
Tel: (021) 35930000  
[www.orixmodaraba.com](http://www.orixmodaraba.com)

## ASSOCIATED COMPANIES

### **Saudi ORIX Leasing Company**

P.O. Box 22890, Riyadh 11416  
343 King Saud Street, Riyadh  
Kingdom of Saudi Arabia  
Tel: (9661) 2997777  
Fax: (9661) 2997770  
[www.saudiorix.com.sa](http://www.saudiorix.com.sa)

### **ORIX Leasing Egypt SAE**

5th Floor, Cairo Center Building  
2, Abd El Kader Hamza Street  
Garden City, Cairo 11461, Egypt  
Tel: (202) 27922757-9  
Fax: (202) 27922760  
[www.orix-egypt.com](http://www.orix-egypt.com)

# Directors' Review Report

The Board of Directors of ORIX Leasing Pakistan Limited (OLP / the Company) is pleased to present the unaudited condensed interim financial information for the half year ended December 31, 2018.

The first half of the current fiscal year was marked with uncertainties in the market and low economic activity, especially in the transport and automobile sectors, which were constrained by slow demand and restrictions on purchase of new vehicles by non-tax filers. Government's efforts to achieve macroeconomic stabilization have yet to yield results as pressure continued from widening fiscal imbalances and current account deficits. GDP growth is expected to remain below 4% in FY 2019 while S&P has downgraded the Country's rating to 'B-' from 'B'. Since January 2018, the cumulative increase in policy rate of 4.5% and 26% rupee depreciation against US Dollar will continue to negatively impact business activities during the remaining period of the financial year. With the right mix of policy measures and balance of payment support from bi-lateral and multi-lateral sources, the Country is expected to achieve more stability in the macroeconomic environment in the medium to long term.

## Financial Highlights and Business Review

	Half year ended	
	December 2018	December 2017
	-----Rupees-----	
Profit before taxation	<b>719,763,979</b>	541,515,171
Taxation	<b>212,385,000</b>	137,862,489
Net profit for the period after taxation	<b>507,378,979</b>	403,652,682
Earnings per share – basic and diluted	<b>3.04</b>	2.50
Issued, subscribed and paid-up capital (shares of Rs. 10 each)	<b>1,670,549,020</b>	1,392,124,190

Despite a challenging market, OLP achieved profit before tax of Rs. 719.8 million for the half year, an increase of 33% over the profit of Rs. 541.5 million achieved in the corresponding period of last year. Profit after tax for the same period increased by 26% to Rs. 507.4 million (December 2017: Rs. 403.7 million). Accordingly, earnings per share was higher at Rs. 3.04 for the period as against Rs. 2.50 in December 2017.

The Company followed a cautious approach in writing new business which meant that disbursements of Rs. 5.4 billion were 23% lower than Rs. 7.0 billion disbursed in the corresponding period of FY2018. Consequently, net lease and loan portfolio reduced by 3% to Rs. 22.3 billion as of December 31, 2018 from Rs. 23.1 billion in June 2018. Related lease and term finance income however was higher due to re-pricing of the portfolio in line with the increase in market rates; lease income registered an increase of 9% to Rs. 1,339.8 million (December 2017: Rs. 1,234.5 million) and term finance income increased by 26% to Rs. 373.9 million (December 2017: Rs. 297.9 million).

Operating lease income, comprising of income from rental of cranes and ljarah Finance, amounted to Rs. 115.5 million for the period (December 2017: Rs. 224.8 million), 49% lower than last year. The Company is still in the process of developing its niche in the construction equipment market where economic activity has slowed down.

Finance cost at Rs. 710.7 million (December 2017: Rs. 708.5 million) was at same level as the comparative period last year despite reduction in total borrowings to Rs. 16.1 billion as of December 31, 2018 from Rs.

17.05 billion in June 2018. Average cost of funding was higher in this period on account of 3.75% increase in SBP's Policy rate since June 2018.

Operating expenses for the period at Rs. 588 million were 13% higher than the same period of last year (December 2017: Rs. 522 million) mainly due to increase in staff compensation and higher staff numbers to strengthen the Company's operations. Direct cost, comprising mainly of cost associated with operating lease business, decreased by 49% to Rs. 93 million (December 2017: Rs. 181.7 million) in line with the decrease in operating lease revenue.

The Company continues to emphasise on overdue recovery and portfolio quality. While strain was experienced in certain segments, overall infection rate remained under control. A new statistical model for determining provisions against potential lease and loan losses was adopted in this financial year. The model provides a more scientific means to determine the Company's provisioning requirements while reducing reliance on judgemental factors. At the same time, provisions required under NBFC regulations were maintained and subjective provisions were made additionally considering the strained economic environment. Overall, a reversal in provision of Rs. 117.3 million was recorded during the period as compared to a reversal of Rs. 2.5 million in the same period of last year.

The share of profit from associated companies during the period was 67% lower at Rs. 27.4 million as compared to Rs. 82.8 million in the same period last year. Current period's income includes share of profit from Saudi ORIX Leasing Company (SOLC) only whereas prior period's income included share of profit from SOLC, Oman ORIX Leasing Company (OOL) and ORIX Leasing Egypt (OLE). The Company sold its investment in OOL in March 2018 while OLE was classified as 'held for sale' in June 2018. The majority shareholder of OLE, Al Hail Holding LLC (Al Hail), plans to expand OLE's equity base. OLP is of the opinion that economic conditions in Egypt and OLE's financial position do not warrant further investment in the company, therefore, in its Meeting held on February 6, 2019, the Board decided to accept an offer of Al Hail to sell OLP's 23% share in OLE for a total consideration of EP 28.4 million (approximately PKR 221.4 million). The disinvestment will result in an after tax loss of approximately PKR 68.6 million, which may change depending on foreign exchange rates prevailing at the time of the transaction's execution. This expected loss is primarily due to recognition of unrealized foreign exchange losses on long term investments caused by a 48% devaluation in the Egyptian Pound in November 2016.

The general paradigm of fiscal and monetary policies has been realigned towards exports, investment and productivity growth with emphasis on improvement in ease of doing business. It is expected that these initiatives will take time before positive outcome is visible. In this background, OLP will maintain a prudent outlook in executing new business in the remaining half of the year.

## Performance of the Group

In compliance with section 227 of the Companies Act 2017, attached with this report is the consolidated condensed interim financial information of OLP and its subsidiaries (the Group) namely – ORIX Services Pakistan (Private) Limited and ORIX Modaraba – for the half year ended December 31, 2018.

### Financial Highlights of the Group's Performance are as follows:

	Half year ended	
	December 2018	December 2017
	-----Rupees-----	
Profit before taxation	<b>733,837,318</b>	559,628,602
Taxation	<b>214,221,811</b>	139,896,799
Net profit for the period after taxation	<b>519,615,507</b>	419,731,803
Profit attributable to Equity shareholders of the Holding Company	<b>492,287,255</b>	390,228,886
Profit attributable to non-controlling interest	<b>27,328,252</b>	29,502,917
Earnings per share – basic and diluted	<b>2.95</b>	2.41

On behalf of the Board:

  
**Shaheen Amin**  
 Chief Executive Officer  
 February 22, 2019

  
**Khalid Aziz Mirza**  
 Chairman



KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2, Beaumont Road  
Karachi 75530, Pakistan  
+92 (21) 35685847, Fax +92 (21)35685095

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of ORIX Leasing Pakistan Limited

Report on Review of Interim Financial Statements

### Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of ORIX Leasing Pakistan Limited as at 31 December 2018 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim unconsolidated financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

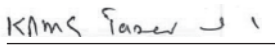
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other Matter

The figures for the quarter ended 31 December 2018 and 31 December 2017 in the interim financial statements have not been reviewed and we do not express a conclusion on them.

The engagement partner on the engagement resulting in this independent auditor's review report is Muhammad Taufiq.

Date: February 22, 2019  
Karachi

  
KPMG Taseer Hadi & Co.  
Chartered Accountants



# Unconsolidated Condensed Interim Statement of Financial Position

As at December 31, 2018

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
-----Rupees-----			
<b>ASSETS</b>	Note		
<b>Non-current assets</b>			
Fixed assets	5	1,229,595,792	1,304,316,890
Intangible assets	6	18,203,902	20,033,707
Net investment in finance lease	7	18,077,267,493	18,840,807,660
Current maturity		(9,111,533,544)	(9,322,608,857)
Allowance for potential lease losses		(790,562,901)	(924,124,734)
		(9,902,096,445)	(10,246,733,591)
		8,175,171,048	8,594,074,069
Investment in subsidiaries		322,374,294	322,374,294
Investment in associated undertakings		789,072,147	672,208,880
Long-term investments	8	378,463,475	292,535,415
Long-term finances and loans		1,969,326,808	1,965,471,010
Long-term deposits		12,397,048	12,138,660
		12,894,604,514	13,183,152,925
<b>Current assets</b>			
Short-term finances		302,623,039	242,846,690
Accrued return on investments and term finance		84,697,209	68,675,213
Current maturity of non-current assets	9	11,437,610,369	11,574,051,254
Short-term investments	10	549,103,256	772,588,069
Advances and prepayments		30,525,142	32,639,776
Other receivables		49,691,141	44,253,635
Cash and bank balances		321,510,654	499,815,713
		12,775,760,810	13,234,870,350
Assets classified as held for sale	11	289,597,920	280,731,455
<b>Total assets</b>		<b>25,959,963,244</b>	<b>26,698,754,730</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital 350,000,000 (June 30, 2018: 350,000,000) Ordinary shares of Rs.10 each		3,500,000,000	3,500,000,000
Issued, subscribed and paid-up capital	12	1,670,549,020	1,392,124,190
Capital reserves		3,146,553,973	3,428,393,164
Revenue reserves		2,591,271,239	2,428,362,235
		7,408,374,232	7,248,879,589
<b>Non-current liabilities</b>			
Long-term finances	13	6,904,011,001	5,796,539,928
Long-term certificates of deposit		3,070,432,433	3,225,368,617
Deferred taxation		596,631,479	480,597,549
Other long-term liabilities		199,020,574	202,558,668
Defined benefit obligation		-	19,969,684
		10,770,095,487	9,725,034,446
<b>Current liabilities</b>			
Trade and other payables		1,182,909,289	1,016,839,484
Accrued interest / mark-up / profit on loans, finances and certificates of deposit		264,434,746	242,329,587
Unpaid dividend		8,117	208,224,070
Unclaimed dividend		23,420,869	20,317,978
Short-term borrowings	14	1,431,784,498	2,355,358,951
Short-term certificates of deposit		801,459,305	1,047,782,107
Taxation - net		204,461,551	208,752,552
Current maturity of non-current liabilities	15	3,873,015,150	4,625,235,966
		7,781,493,525	9,724,840,695
<b>Total equity and liabilities</b>		<b>25,959,963,244</b>	<b>26,698,754,730</b>
<b>Contingencies and Commitments</b>	16		

The annexed notes 1 to 29 form an integral part of this unconsolidated condensed interim financial information.

  
Shaheen Amin  
Chief Executive Officer

  
Nasim Hyder  
Director

  
Maryam Aziz  
Chief Financial Officer

# Unconsolidated Condensed Interim Statement of Profit or Loss (Un-audited)

For the half year and quarter ended December 31, 2018

	Note	Half year ended		Quarter ended	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
<b>INCOME</b>					
<b>Income from operations</b>					
Finance lease		1,339,780,038	1,234,509,457	691,290,377	626,152,430
Operating lease		115,486,537	224,818,601	59,698,672	100,670,684
Mark-up on term finance		373,846,714	297,895,441	193,726,150	151,818,235
		<b>1,829,113,289</b>	<b>1,757,223,499</b>	<b>944,715,199</b>	<b>878,641,349</b>
<b>Income from other activities</b>					
Other income - net	17	137,954,376	111,196,875	64,262,241	46,934,701
Share of profit of equity accounted undertakings	18	27,410,766	82,836,468	18,069,332	35,759,635
		<b>165,365,142</b>	<b>194,033,343</b>	<b>82,331,573</b>	<b>82,694,336</b>
		<b>1,994,478,431</b>	<b>1,951,256,842</b>	<b>1,027,046,772</b>	<b>961,335,685</b>
<b>EXPENSES</b>					
Finance cost	19	710,722,858	708,503,868	362,863,857	348,324,335
Administrative and general expenses		588,292,734	521,933,836	306,271,297	273,534,742
Direct cost		92,979,558	181,787,404	45,440,976	84,854,929
		<b>1,391,995,150</b>	<b>1,412,225,108</b>	<b>714,576,130</b>	<b>706,714,006</b>
		<b>602,483,281</b>	<b>539,031,734</b>	<b>312,470,642</b>	<b>254,621,679</b>
Reversal of provision for potential lease and other loan losses - net		(125,126,038)	(13,494,666)	(95,195,295)	(25,568,210)
Other provisions - net	20	7,845,340	11,011,229	8,054,601	11,696,799
		<b>(117,280,698)</b>	<b>(2,483,437)</b>	<b>(87,140,694)</b>	<b>(13,871,411)</b>
		<b>719,763,979</b>	<b>541,515,171</b>	<b>399,611,336</b>	<b>268,493,090</b>
Taxation - Current	21	116,021,939	62,198,982	61,595,990	22,282,765
- Deferred		96,363,061	75,663,507	67,470,436	36,628,748
		<b>212,385,000</b>	<b>137,862,489</b>	<b>129,066,426</b>	<b>58,911,513</b>
		<b>507,378,979</b>	<b>403,652,682</b>	<b>270,544,910</b>	<b>209,581,577</b>
<b>Net profit for the period after taxation</b>		<b>507,378,979</b>	<b>403,652,682</b>	<b>270,544,910</b>	<b>209,581,577</b>
<b>Earnings per share - basic and diluted</b>	26	<b>3.04</b>	(Restated) 2.50	<b>1.62</b>	(Restated) 1.30

The annexed notes 1 to 29 form an integral part of this unconsolidated condensed interim financial information.

  
Shaheen Amin  
Chief Executive Officer

  
Nasim Hyder  
Director

  
Maryam Aziz  
Chief Financial Officer

# Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For the half year and quarter ended December 31, 2018

	Half year ended		Quarter ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	-----Rupees-----			
<b>Profit for the period after taxation</b>	<b>507,378,979</b>	403,652,682	<b>270,544,910</b>	209,581,577
<b>Other comprehensive income</b>				
<b><i>Items that may be subsequently reclassified in profit or loss</i></b>				
Exchange gain arising on translation of foreign associates - net of deferred tax	<b>73,896,062</b>	87,344,034	<b>64,546,411</b>	75,905,187
<b><i>Items that will not be subsequently reclassified in profit or loss</i></b>				
Fair value changes on remeasurement of financial assets - net of deferred tax	<b>(28,711)</b>	(575,504)	<b>(62,117)</b>	(335,168)
<b>Total comprehensive income for the period</b>	<b>581,246,330</b>	490,421,212	<b>335,029,204</b>	285,151,596

The annexed notes 1 to 29 form an integral part of this unconsolidated condensed interim financial information.



Shahreen Amin  
Chief Executive Officer



Nasim Hyder  
Director



Maryam Aziz  
Chief Financial Officer

# Unconsolidated Condensed Interim Statement of Cash Flows (Un-audited)

For the half year ended December 31, 2018

	Note	December 31, 2018	December 31, 2017
-----Rupees-----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation for the period		719,763,979	541,515,171
<b>Adjustments for:</b>			
Depreciation and amortisation		115,782,309	123,752,430
Amortisation of transaction cost		4,197,265	6,433,685
Reversal of provision for potential lease and other loan losses - net		(125,126,038)	(13,494,666)
Provision against other receivables		7,845,340	11,011,229
Charge for defined benefit plan		10,287,804	8,192,520
Share of profit of equity accounted undertakings		(27,410,766)	(82,836,468)
Fair value changes on remeasurement of financial assets at fair value through profit or loss		(122,602)	64,457
Finance cost		493,306,157	442,870,333
Profit on certificates of deposit		213,219,436	259,199,850
Return on investments and deposit		(31,199,671)	(30,501,673)
Gain on disposal of fixed assets		(742,030)	(344,123)
		660,037,204	724,347,574
<b>Operating profit before working capital changes</b>		1,379,801,183	1,265,862,745
<b>Decrease / (Increase) in operating assets</b>			
Investment in finance lease - net		763,540,167	(1,063,256,223)
Long-term finances and loans - net		(21,415,647)	(367,004,112)
Short-term finances		(63,295,703)	(40,788,807)
Long-term deposits		(258,388)	(335,000)
Advances and prepayments		2,114,634	(27,688,242)
Other receivables		(38,171,297)	(60,454,883)
		642,513,766	(1,559,527,267)
<b>Increase / (decrease) in operating liabilities</b>			
Other long term liabilities - net		(250,133,384)	(247,177,936)
Trade and other payables		166,069,803	392,972,971
		(84,063,581)	145,795,035
<b>Cash generated from / (used in) operating activities</b>		1,938,251,368	(147,869,487)
Payment against staff retirement benefits		(30,257,488)	(24,706,540)
Income tax paid		(120,312,940)	(43,521,328)
		(150,570,428)	(68,227,868)
<b>Net cash generated from / (used in) operating activities</b>		1,787,680,940	(216,097,355)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred - own use and intangible assets		(42,551,833)	(27,810,273)
Capital expenditure incurred - operating lease assets		-	(18,185,182)
Proceeds from disposal of assets - own use		2,914,831	5,987,985
Proceeds from sale of ijarah finance assets		1,147,626	6,717,390
Proceeds against sale of e-business		-	5,333,335
Investments - net		93,896,950	119,699,366
Interest received		12,962,337	24,714,964
Net cash generated from investing activities		68,369,911	116,457,585
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term loans		2,750,000,000	1,950,000,000
Proceeds from right issue - net		-	1,985,245,504
Short-term borrowings - net		(645,000,000)	(1,155,000,000)
Certificates of deposit redeemed - net		(842,107,669)	(412,926,311)
Repayment of long term loans and finances		(1,958,098,325)	(2,195,598,330)
Finance cost paid		(437,825,144)	(459,852,084)
Dividend paid		(622,750,319)	(195,169,209)
<b>Net cash used in financing activities</b>		(1,755,781,457)	(483,300,430)
Net increase / (decrease) in cash and cash equivalents		100,269,394	(582,940,200)
Cash and cash equivalents at beginning of the period		(1,210,543,238)	(516,802,122)
<b>Cash and cash equivalents at end of the period</b>	25	(1,110,273,844)	(1,099,742,322)

The annexed notes 1 to 29 form an integral part of this unconsolidated condensed interim financial information.

  
Shaheen Amin  
Chief Executive Officer

  
Nasim Hyder  
Director

  
Maryam Aziz  
Chief Financial Officer

# Unconsolidated Condensed Interim Statement of Changes in Equity (Un-audited)

For the half year ended December 31, 2018

Issued, subscribed and paid-up capital	Capital Reserves			Revenue Reserves			Total shareholders equity	
	Share premium	Statutory reserve	Surplus on revaluation of leasehold land and office building	Unappropriated profit	Fair value reserve on re-measurement of financial assets	Foreign currency translation reserve		
(Rupees)								
<b>Balance as at July 1, 2017 (Restated)</b>	820,827,940	449,686,099	979,107,379	317,381,264	1,727,726,419	(4,534,811)	176,250,655	4,466,444,945
Right shares issued during the period	571,296,250	-	-	-	-	-	-	571,296,250
Premium on Right shares issued during the period	-	1,413,949,254	-	-	-	-	-	1,413,949,254
<b>Total comprehensive income for the half year ended December 31, 2017</b>								
Profit for the period	-	-	-	-	403,652,682	-	-	403,652,682
Other comprehensive income / (loss)	-	-	-	-	-	(575,504)	87,344,034	86,768,530
<b>Total comprehensive income for period</b>	-	-	-	-	403,652,682	(575,504)	87,344,034	490,421,212
Transactions with owner recorded directly in equity								
Cash dividend @ Rs.3.00 per ordinary share of Rs. 10.00 each for the year ended June 30, 2017	-	-	-	-	(417,637,257)	-	-	(417,637,257)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	-	(4,568,779)	5,309,521	-	-	740,742
<b>Balance as at December 31, 2017 (Restated)</b>	<u>1,392,124,190</u>	<u>1,863,635,353</u>	<u>979,107,379</u>	<u>312,812,485</u>	<u>1,719,051,365</u>	<u>(5,110,315)</u>	<u>263,594,689</u>	<u>6,525,215,146</u>
<b>Balance as at July 1, 2018</b>	1,392,124,190	1,863,635,353	1,255,031,986	309,725,825	2,377,647,652	866,439	49,848,144	7,248,879,589
Impact of change in accounting policy - net of tax	-	-	-	-	39,060,357	(39,060,357)	-	-
Impact of change in associate's accounting policy - net of tax	-	-	-	-	(3,268,836)	-	-	(3,268,836)
<b>Total comprehensive income for the half year ended December 31, 2018</b>								
Profit for the period	-	-	-	-	507,378,979	-	-	507,378,979
Other comprehensive income/(loss)	-	-	-	-	(845,594)	(28,711)	73,896,062	73,021,757
<b>Total comprehensive income for the period</b>	-	-	-	-	506,533,385	(28,711)	73,896,062	580,400,736
Bonus shares issued from share premium reserve	278,424,830	(278,424,830)	-	-	-	-	-	-
Transactions with owner recorded directly in equity								
Cash dividend @ Rs.3.00 per ordinary share of Rs. 10.00 each for the year ended June 30, 2018	-	-	-	-	(417,637,257)	-	-	(417,637,257)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	-	(3,414,361)	3,414,361	-	-	-
<b>Balance as at December 31, 2018</b>	<u>1,670,549,020</u>	<u>1,585,210,523</u>	<u>1,255,031,986</u>	<u>306,311,464</u>	<u>2,505,749,662</u>	<u>(38,222,629)</u>	<u>123,744,206</u>	<u>7,408,374,232</u>

The annexed notes 1 to 29 form an integral part of this unconsolidated condensed interim financial information.

  
Shaheen Amin  
Chief Executive Officer

  
Nasim Hyder  
Director

  
Maryam Aziz  
Chief Financial Officer

# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

## 1 LEGAL STATUS AND OPERATIONS

ORIX Leasing Pakistan Limited ("the Company") was incorporated in Pakistan as a private limited company on July 01, 1986 under the repealed Companies Ordinance, 1984 and was converted into a public limited company on December 23, 1987. The Company is listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at Islamic Chamber of Commerce Building, Clifton, Karachi. The Company is licensed to carry out Investment Finance Services 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).

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a long-term rating of AA+ and a short-term rating of A1+ to the Company on August 16, 2018.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

This unconsolidated condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard 34 " Interim Financial Reporting" issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017, the requirements of Companies Act, 2017, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. In case the requirements differ, the provisions of and directives issued under the NBFC Rules, the NBFC Regulations, the Companies Act, 2017 and the directives issued by the SECP prevail.

### 2.2 Basis of measurement

This unconsolidated condensed interim financial information has been prepared under the historical cost convention except for the following:

- Leasehold land and office building is stated at revalued amounts;
- Financial instruments at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured at fair values;
- Obligation in respect of staff gratuity is measured at present value of defined benefit obligation;
- Non-current assets classified as held for sale are valued at lower of carrying amount and fair value less cost to sell; and
- Investments in associated undertakings are valued under equity accounting method.

**2.3** This unconsolidated condensed interim financial information does not include all the information required for a full set of financial statements and should be read in conjunction with the annual published unconsolidated audited financial statements of the Company for the year ended June 30, 2018.

**2.4** This unconsolidated condensed interim financial information is unaudited. However, a review has been performed by the external auditors in accordance with the requirements of the Code of Corporate Governance.

# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

**2.5** The comparative statement of financial position presented in this unconsolidated condensed interim financial information has been extracted from the annual published unconsolidated audited financial statements of the Company for the year ended June 30, 2018, whereas the comparative statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows are stated from the unconsolidated unaudited condensed interim financial information for the period ended December 31, 2017.

**2.6** This unconsolidated condensed interim financial information has been presented in Pakistani Rupees, which is the functional currency of the Company.

## **3 SIGNIFICANT POLICIES, ESTIMATES, ASSUMPTIONS AND CHANGES THEREIN**

**3.1** The accounting policies adopted in the preparation of this unconsolidated condensed interim financial information are the same as those applied in the preparation of the annual published unconsolidated audited financial statements of the Company for the year ended June 30, 2018 except the following:

**3.1.1** The Company has adopted IFRS 9 'Financial Instruments' issued by the International Accounting Standards Board (IASB) in July 2014 effective from July 01, 2018. IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement and includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. The Company has changed relevant accounting policies and made adjustments to the amounts previously recognised in the financial statements, except in the case of calculation of impairment provision on financial assets where the requirements of the NBFC Regulations prevail.

As allowed by IFRS 9, the Company has elected not to restate comparative figures and therefore adjustments to the carrying amounts of financial assets and liabilities at the date of transition resulting from the adoption of IFRS 9, were recognised through adjustment to the opening equity of the current period. 'Unrealized gains / loss on remeasurement of financial assets' has been renamed 'Fair value reserve on remeasurement of financial assets'.

The application of this change in accounting policy has increased 'Unappropriated Profit' and decreased 'Fair value reserve on remeasurement of financial assets' by Rs. 39.06 million as at July 01, 2018.

### **Classification and measurement of financial instruments**

A comparison between the measurement category and the carrying amount of financial assets and liabilities in accordance with previous accounting policies under IAS 39 and IFRS 9 as at July 01, 2018 is as follows:

Financial assets	June 30, 2018 IAS 39		July 01, 2018 IFRS 9	
	Measurement Category	Carrying amount	Measurement Category	Carrying amount
Long term investments	Available for sale (Al Hail ORIX Finance PSC)	229,180,469	At fair value through other comprehensive income	229,180,469
Short term investments	Available for sale Ordinary shares - unlisted	13,840,691	At fair value through other comprehensive income	13,840,691

# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

- 3.1.2** IFRS 15 'Revenue from Contracts with Customers' replaced IAS 18 'Revenue', IAS 11 Construction Contracts and related interpretations. The Company has applied the modified retrospective method upon adoption of IFRS 15 as allowed under the Standard. The existing revenue recognition methods are consistent with the recognition criteria given in IFRS 15 except for ijarah transactions executed in accordance with the requirements of IFAS 2. Therefore, the adoption of IFRS 15 did not have any impact on unconsolidated condensed interim financial information.
- 3.2** The preparation of this unconsolidated condensed interim financial information in conformity with accounting and reporting standards requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.3** The significant judgments, estimates and assumptions made by Management in applying the Company's accounting policies and the factors used in making those estimates and associated assumptions were the same as those that were applied to the audited annual published unconsolidated financial statements for the year ended June 30, 2018.
- 3.4** Certain new amendments to approved accounting standards have been published and are mandatory for the Company's accounting period beginning on or after July 01, 2018 but are considered not to be relevant or to have any significant effect on this unconsolidated condensed interim financial information.

**3.5 Standards, interpretations and amendments to approved accounting standards that are not yet effective**

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2019:

<b>Standard, Interpretation or Amendment</b>	<b>Effective date (annual periods beginning on or after)</b>
- IAS - 28 'Investments in Associates and Joint Ventures'	January 1, 2019
- IAS 19 'Employee Benefits'	January 1, 2019
- IFRS 16 'Leases'	January 1, 2019
- IFRIC 23 'Uncertainty over Income Tax Treatments'	January 1, 2019
- IFRS 3 'Business Combinations and IFRS 11 Joint Arrangement'	January 1, 2020
<b>Annual Improvements to IFRS Standards 2015–2017 Cycle</b>	
- IAS 1 'Presentation of Financial Statements and IAS 8 Accounting Policies'	January 1, 2020
- IAS 12 'Income Taxes'	January 1, 2019
- IAS 23 'Borrowing Costs'	January 1, 2019

The Company is currently in the process of analyzing the potential impact of changes in policies on adoption of the above standards.



# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

## 4 RISK MANAGEMENT POLICIES

The financial risk management objectives and policies are consistent with those disclosed in the annual audited published unconsolidated financial statements of the Company for the year ended June 30, 2018.

## 5 FIXED ASSETS

Own use  
Operating lease  
Ijarah finance

Note	(Un-audited)	(Audited)
	December 31, 2018	June 30, 2018
-----Rupees-----		
	<b>552,274,294</b>	543,588,108
	<b>138,107,064</b>	142,772,436
	<b>539,214,434</b>	617,956,346
	<b>1,229,595,792</b>	1,304,316,890

5.1 The following is a statement of cost of additions and disposals to / from fixed assets for the six months period ended December 31, 2018.

	Own use		Operating lease assets		Assets under Ijarah finance	
	Additions	Disposals	Additions	Disposals	Additions	Disposals
----- (Rupees) -----						
Generators / Machinery	-	-	-	-	-	74,944,000
Leasehold improvements	824,984	366,000	-	-	-	-
Furniture, fittings and office equipment	3,664,115	1,509,933	-	-	-	-
Computers and accessories	3,868,975	1,115,446	-	-	-	-
Vehicles	29,130,325	4,781,090	-	-	-	7,285,500
Capital work in progress	415,100	-	-	-	-	-
<b>December 31, 2018</b>	<b>37,903,499</b>	<b>7,772,469</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82,229,500</b>
December 31, 2017	11,476,407	11,222,447	18,185,182	-	-	33,176,000

## 6 INTANGIBLE ASSETS

Computer software and license

(Un-audited)	(Audited)
December 31, 2018	June 30, 2018
-----Rupees-----	
<b>18,203,902</b>	20,033,707

6.1 Additions amounting to Rs. 4,648,334 (December 2017: Rs. 16,333,866) were made to intangible assets during the six months period ended December 31, 2018. No disposals were made during the period.

(Un-audited)	(Audited)
December 31, 2018	June 30, 2018
-----Rupees-----	

## 7 NET INVESTMENT IN FINANCE LEASE

Instalment contract receivables  
Residual value

Less: Adjustable security deposit  
Less: Unearned finance income

<b>21,974,093,666</b>	22,573,597,326
<b>8,417,194,684</b>	8,661,544,481
<b>30,391,288,350</b>	31,235,141,807
<b>8,398,237,689</b>	8,642,760,086
<b>3,915,783,168</b>	3,751,574,061
<b>18,077,267,493</b>	18,840,807,660

# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

	Note	(Un-audited)	(Audited)
		December 31, 2018	June 30, 2018
-----Rupees-----			
<b>8</b>	<b>LONG-TERM INVESTMENTS</b>		
	<b>Amortised cost</b>		
	Pakistan Investment Bonds (PIBs)	211,274,032	63,354,946
	<b>At fair value through other comprehensive income</b>		
	Al Hail ORIX Finance PSC	279,097,858	279,097,858
	Less: Impairment	-	(49,917,389)
	Less: Fair value change on remeasurement of financial assets	(49,917,389)	-
		229,180,469	229,180,469
	Less: Current maturity	61,991,026	-
		<b>378,463,475</b>	<b>292,535,415</b>

**8.1** This represents investments made as required under Regulation 14(4)(g) of the NBFC Regulations to maintain liquidity against certificates of deposit. These carry coupon rate of 12.00% (June 2018: 12.00%) per annum and are redeemable within a period of four years.

	Note	(Un-audited)	(Audited)
		December 31, 2018	June 30, 2018
-----Rupees-----			
<b>9</b>	<b>CURRENT MATURITY OF NON-CURRENT ASSETS</b>		
	<b>Current maturity of:</b>		
	Net investment in finance lease	9,111,533,544	9,322,608,857
	Long-term finances and loans	2,264,085,799	2,251,442,397
	Long-term investments	61,991,026	-
		<b>11,437,610,369</b>	<b>11,574,051,254</b>

## **10** SHORT-TERM INVESTMENTS

### **At fair value through profit or loss**

Treasury bills	10.1	535,291,276	758,747,378
Term finance certificates		7,500,000	7,500,000
		<b>542,791,276</b>	<b>766,247,378</b>

### **At fair value through other comprehensive income**

Ordinary shares - unlisted		13,811,980	13,840,691
Less: Allowance for potential losses		7,500,000	7,500,000
		<b>549,103,256</b>	<b>772,588,069</b>

**10.1** 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 one month (June 2018: three months) from reporting date, carrying yields ranging from 8.73% to 8.79% (June 2018: 6.20% to 6.26%) per annum due at maturity.

# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

	Note	(Un-audited)	(Audited)
		December 31, 2018	June 30, 2018
-----Rupees-----			
<b>11 ASSETS CLASSIFIED AS HELD FOR SALE</b>			
Repossessed assets		<b>29,800,484</b>	20,934,019
Investments in associated undertakings			
- OPP (Private) Limited	11.1	<b>87,754,399</b>	87,754,399
- ORIX Leasing Egypt SAE	11.2	<b>172,043,037</b>	172,043,037
		<b>289,597,920</b>	280,731,455

**11.1** The Company holds 45% ownership interest in OPP (Private) Limited. Management intends to divest its investment in the company, subject to necessary regulatory approvals.

**11.2** The Company holds 23% ownership interest in ORIX Leasing Egypt SAE. Management intends divestment of its investment in the company, subject to necessary regulatory approvals.

## 12 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

		(Un-audited)	(Audited)	Note	(Un-audited)	(Audited)
		December 31, 2018	June 30, 2018		December 31, 2018	June 30, 2018
-----Number of Shares-----						
-----Rupees-----						
		<b>108,668,055</b>	108,668,055		<b>1,086,680,550</b>	1,086,680,550
		<b>58,386,847</b>	30,544,364		<b>583,868,470</b>	305,443,640
		<b>167,054,902</b>	139,212,419		<b>1,670,549,020</b>	1,392,124,190

**12.1** During the period, the Company issued 27,842,483 bonus shares from share premium reserves.

Reconciliation between ordinary shares in issue at the beginning and end of the period / year is as follows:

	(Un-audited)	(Audited)
	December 31, 2018	June 30, 2018
-----Number of Shares-----		
As at beginning of the period / year	<b>139,212,419</b>	82,082,794
Issue of bonus shares during the period / year	<b>27,842,483</b>	-
Issue of right shares during the period / year	-	57,129,625
At the end of period / year	<b>167,054,902</b>	139,212,419

	Note	(Un-audited)	(Audited)
		December 31, 2018	June 30, 2018
-----Rupees-----			
<b>13 LONG-TERM FINANCES - Secured</b>			
Long-term finances utilised under mark-up arrangements - financial institutions		<b>10,222,384,039</b>	9,430,482,365
Less: Unamortised transaction cost		<b>7,298,522</b>	11,495,788
Less: Current maturity	15	<b>3,311,074,516</b>	3,622,446,649
		<b>3,318,373,038</b>	3,633,942,437
		<b>6,904,011,001</b>	5,796,539,928

# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

	(Un-audited) December 31, 2018	(Audited) June 30, 2018
	-----Rupees-----	
<b>14</b>	<b>SHORT-TERM BORROWINGS - Secured</b>	
From Banking Companies		
Running finance arrangements	<b>1,431,784,498</b>	1,710,358,951
Short-term loans	-	645,000,000
	<b>1,431,784,498</b>	<b>2,355,358,951</b>

## 15 CURRENT MATURITY OF NON-CURRENT LIABILITIES

Current maturity of:		
Long-term finances	<b>3,311,074,516</b>	3,622,446,649
Long-term certificates of deposit	<b>561,940,634</b>	1,002,789,317
	<b>3,873,015,150</b>	<b>4,625,235,966</b>

## 16 CONTINGENCIES AND COMMITMENTS

**16.1** There was no change in the status of contingencies as disclosed in the note 33 to the annual published unconsolidated financial statements for the year ended June 30, 2018 except the following:

The Company has received show cause notices from the Sindh Revenue Board (SRB) demanding Sindh Provincial Sales Tax (SPST) amounting to Rs. 519 million against income from operating lease rental of generators for the years ended June 30, 2012, 2013, 2014, 2015, 2016 and 2017 along with the applicable penalty and default surcharge.

The Company had filed suits against the show cause notices relating to years 2012 to 2015 before High Court of Sindh (SHC) challenging the levy of SPST on renting of generators and obtained stay order restricting SRB from taking any coercive measures against the Company. During the period, these suits were withdrawn due to the decision by Supreme Court of Pakistan that in order for a suit to continue, a minimum of 50% of the tax calculated by the tax authorities must be deposited in respective treasury. Consequent to withdrawal of the suits, SRB issued fresh show cause notices for each of the tax years 2012 to 2017. In case of financial year 2012 and 2016, the Assistant Commissioner SRB also passed an order against the Company and created the demand of Rs. 43.6 million and Rs. 77.3 million respectively and issued recovery notices. The Company has filed an appeal against the recovery orders before the Commissioner Appeals SRB and also obtained interim relief from SHC by filing separate petitions for each of the years from 2012 to 2017, challenging the levy of SPST on renting of generators and obtained stay order restricting SRB from taking coercive measures against the Company.

Based on the merit of the case, Management considers that decision will be in the Company's favour, hence, no provision has been recorded in this condensed interim unconsolidated financial information in this regard.

**16.2** Finance leases committed but not executed at the reporting date amounted to Rs. 46.58 million (June 2018: Rs. 55.94 million).

# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

		(Un-audited)	
		Half year ended	
		December 31, 2018	December 31, 2017
		-----Rupees-----	
<b>17</b>	<b>OTHER INCOME - NET</b>		
	Income from investments	<b>43,090,756</b>	41,009,542
	Other fees and income	<b>94,863,620</b>	70,187,333
		<b>137,954,376</b>	111,196,875

## 18 SHARE OF PROFIT OF EQUITY ACCOUNTED UNDERTAKINGS

(Un-audited)					
		Half year ended December 31, 2018		Half year ended December 31, 2017	
Name of associate	Associates' profit after tax	Share of associates' profit after tax	Associates' profit after tax	Share of associates' profit after tax	
-----Rupees-----					
<b>Quoted</b>					
Oman ORIX Leasing Company SAOG	-	-	464,944,105	54,127,398	
	-	-	464,944,105	54,127,398	
<b>Un-quoted</b>					
Saudi ORIX Leasing Company	<b>1,370,538,325</b>	<b>27,410,766</b>	768,264,733	19,206,619	
ORIX Leasing Egypt SAE	-	-	41,315,005	9,502,451	
	<b>1,370,538,325</b>	<b>27,410,766</b>	809,579,738	28,709,070	
	<b>1,370,538,325</b>	<b>27,410,766</b>	1,274,523,843	82,836,468	

		(Un-audited)	
		Half year ended	
		December 31, 2018	December 31, 2017
		-----Rupees-----	
<b>19</b>	<b>FINANCE COST</b>		
	Interest / mark-up on:		
	- Long-term finances	<b>417,582,955</b>	373,104,634
	- Short-term borrowings	<b>66,076,982</b>	56,929,912
	- Certificates of deposit	<b>213,219,436</b>	259,199,850
	Amortisation of transaction cost	<b>4,197,265</b>	6,433,685
	Bank charges and commission	<b>9,646,220</b>	12,835,787
		<b>710,722,858</b>	708,503,868

## 20 OTHER PROVISIONS - NET

(Reversal) / Provision against other receivables	<b>(578,340)</b>	11,011,229
Reversal of provision against ijarah receivable	<b>(1,639,756)</b>	-
Impairment of assets held for sale	<b>10,063,436</b>	-
	<b>7,845,340</b>	11,011,229

## 21 TAXATION

The tax charge for the current period has been made under the provisions of the Alternate Corporate Tax under Section 113C of the Income Tax Ordinance, 2001.

# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

## 22 SEGMENT INFORMATION

The Company has three primary reporting segments namely, 'Finance lease', 'Finances & Loans' 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. Finances and loans are primarily extended to corporate entities and individuals for purchase of saloon vehicles. This segment also includes micro finance which primarily represents group / community based lending to the under-privileged community. Under the operating lease segment, the Company provides equipments on short-term rentals to corporate entities. Other operations, which do not fall into the above segment categories and are not deemed by the Management to be sufficiently significant to disclose as separate items, are reported under 'Investment in subsidiaries, associates and others'.

	December 31, 2018				
	Finance lease	Finances and loans	Operating lease	Investment in subsidiaries, associates & others	Total
	(Rupees)				
<b>Segment analysis for the half year ended December 31, 2018 - (Unaudited)</b>					
Segment revenues	1,396,167,059	382,801,067	115,829,037	99,681,268	1,994,478,431
Finance cost	477,047,322	117,178,356	18,374,698	98,122,482	710,722,858
Administrative and general expenses	460,583,983	112,517,175	15,191,576	-	588,292,734
Direct cost	6,188,005	587,944	86,203,609	-	92,979,558
(Reversal) / provision-net	(123,534,095)	8,435,798	(762,500)	(1,419,901)	(117,280,698)
<b>Segment results</b>	<b>575,881,844</b>	<b>144,081,794</b>	<b>(3,178,346)</b>	<b>2,978,687</b>	<b>719,763,979</b>
Provision for taxation	-	-	-	-	(212,385,000)
<b>Profit for the period</b>					<b>507,378,979</b>
<b>Other information</b>					
Segment assets	17,316,505,076	4,451,173,227	677,321,497	2,371,043,712	24,816,043,512
Unallocated assets					1,143,919,732
<b>Total assets</b>					<b>25,959,963,244</b>
Segment liabilities	60,061,272	3,785,894	27,162,970	-	91,010,136
Unallocated liabilities					18,460,578,874
<b>Total liabilities</b>					<b>18,551,589,010</b>
<b>Segment analysis for the half year ended December 31, 2018 - (Unaudited)</b>					
Capital expenditure	-	-	-	-	-
Depreciation	-	-	82,455,617	-	82,455,617
Unallocated capital expenditure	-	-	-	-	42,551,833
Unallocated depreciation and amortisation	-	-	-	-	33,326,692

# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

	December 31, 2017				
	Finance lease	Finances and loans	Operating lease	Investment in subsidiaries, associates & others	Total
	----- (Rupees) -----				
<b>Segment analysis for the half year ended December 31, 2017 - (Unaudited)</b>					
Segment revenues	1,291,354,879	309,608,792	224,818,601	125,474,570	1,951,256,842
Finance cost	483,417,484	101,700,376	23,363,465	100,022,543	708,503,868
Administrative and general expenses	405,384,143	90,328,828	26,220,865	-	521,933,836
Direct cost	9,747,497	1,244,710	170,795,197	-	181,787,404
(Reversal) / provision-net	(26,476,748)	12,982,081	10,909,230	102,000	(2,483,437)
<b>Segment results</b>	<b>419,282,503</b>	<b>103,352,797</b>	<b>(6,470,156)</b>	<b>25,350,027</b>	<b>541,515,171</b>
Provision for taxation					(137,862,489)
<b>Profit for the period</b>					<b>403,652,682</b>
<b>Segment assets and liabilities for the year ended June 30, 2018 (Audited)</b>					
Segment assets	17,937,616,945	4,373,050,384	758,029,178	2,321,900,419	25,390,596,926
Unallocated assets					1,308,157,804
<b>Total assets</b>					<b>26,698,754,730</b>
Segment liabilities	316,525,966	147,152,407	34,327,800	-	498,006,173
Unallocated liabilities					18,951,868,968
<b>Total liabilities</b>					<b>19,449,875,141</b>
<b>Segment analysis for the half year ended December 31, 2017 - (Unaudited)</b>					
Capital expenditure	-	-	18,185,182	-	18,185,182
Depreciation	-	-	92,699,440	-	92,699,440
Unallocated capital expenditure	-	-	-	-	27,810,273
Unallocated depreciation and amortisation	-	-	-	-	31,052,990

## 23 TRANSACTIONS / BALANCES WITH RELATED PARTIES

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

The Company in the normal course of business carries out transactions with various related parties. These transactions 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.

# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

**23.1** Transactions with related parties during the period are given below:

	(Un-audited)	
	Half year ended	
	December 31, 2018	December 31, 2017
	-----Rupees-----	
<b>ORIX Corporation, Japan - Parent Company - 49.58% Holding</b>		
Dividend paid - net of tax	<b>383,024,136</b>	-
13,803,256 Bonus shares issued (2018: Nil)	-	-
<b>Saudi ORIX Leasing Company - Associate / Common directorship - 2.5% ownership</b>		
Reimbursement of cost	<b>1,602,759</b>	619,717
<b>ORIX Leasing Egypt SAE- Associate / Common directorship - 23% ownership</b>		
BOD attendance fee received	-	67,854
<b>Oman ORIX Leasing Company SAOG - Associate / Common directorship - 11.64% ownership</b>		
BOD attendance fee received	-	116,916
<b>ORIX Modaraba - Subsidiary - 20% ownership</b>		
Dividend income	<b>11,345,883</b>	12,253,553
Reimbursement of cost	<b>257,732</b>	-
<b>State Life Insurance Corporation of Pakistan - Common directorship</b>		
Insurance premium and rent expense paid	-	3,741,634
<b>ORIX Leasing Pakistan Limited - Employees Provident Fund (OLP - EPF)</b>		
Contribution paid	<b>14,930,925</b>	12,277,699
<b>ORIX Leasing Pakistan Limited - Staff Gratuity Fund (OLP - SGF)</b>		
Contribution paid	<b>30,257,488</b>	24,706,540
<b>The Layton Rahmatullah Benevolent Trust - common directorship</b>		
Charity / Donation paid	<b>500,000</b>	500,000
<b>Other related party transactions during the period</b>		
<b>Directors and Key Management Personnel</b>		
<b>Compensation of directors and key management personnel</b>		
Directors' fees paid	<b>2,000,000</b>	1,000,000
Short-term employee benefits	<b>88,850,930</b>	76,780,347
Retirement benefits	<b>6,031,673</b>	7,429,044
Total compensation to directors and key management personnel	<b>96,882,603</b>	85,209,391
<b>Other transactions with Key Management Personnel</b>		
Issuance of certificates of deposit	<b>400,000</b>	2,284,790
Redemption of certificates of deposit	<b>800,000</b>	8,470,637
Amount of profit paid on certificates of deposit	<b>166,097</b>	455,817
Loans disbursed during the period	<b>2,524,561</b>	13,134,414
Interest recovered during the period	<b>742,161</b>	867,368
Principal recovered during the period	<b>7,646,075</b>	9,717,487



# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

	(Un-audited) December 31, 2018	(Audited) June 30, 2018
	-----Rupees-----	
<b>23.2 Balances with related parties as at period / year end</b>		
Investment in subsidiaries	<b>322,374,294</b>	322,374,294
Investment in associated undertakings - held for sale		
- OPP (Private) Limited - 45% ownership	<b>87,754,399</b>	87,754,399
- ORIX Leasing Egypt SAE - 23% ownership	<b>172,043,037</b>	172,043,037
Long term investment - Al Hail ORIX Finance PSC - 3% ownership	<b>229,180,469</b>	229,180,469
Investment in associated undertaking	<b>789,072,147</b>	672,208,880
Certificates of deposit held by Key Management Personnel	<b>3,810,000</b>	4,210,000
Accrued profit on certificates of deposit payable to Key Management Personnel	<b>21,145</b>	28,940
Staff loans receivable from Key Management Personnel	<b>23,007,088</b>	28,128,602
Defined benefit payable to OLP - SGF	<b>-</b>	19,969,684
Receivable from Saudi ORIX Leasing Company - Associate	<b>30,195</b>	53,837
Receivable from ORIX Leasing Egypt SAE - Associate	<b>176,392</b>	-
Dividend payable to ORIX Corporation, Japan - Parent Company	<b>8,117</b>	207,040,074
(Payable to) / Receivable from ORIX Corporation, Japan - Parent Company	<b>(197,910)</b>	37,260

## 24 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of investments classified as "at fair value through profit or loss" and "at fair value through other comprehensive income" 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 certificates of deposit 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 Management, 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 or are periodically repriced.

# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

The Company has classified assets using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

**Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

December 31, 2018 (Un-audited)			
Fair value			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			

## RECURRING FAIR VALUE MEASUREMENTS

### Financial assets

#### Financial assets at fair value through other comprehensive income

Al Hail ORIX Finance PSC	-	-	229,180,469	229,180,469
Ordinary shares - unlisted	-	-	13,811,980	13,811,980

#### Financial assets at fair value through profit or loss

Treasury bills	-	535,291,276	-	535,291,276
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### Non-financial assets

Fixed assets (Leasehold land and building)	-	-	402,558,943	402,558,943
Total	-	535,291,276	645,551,392	1,180,842,668

June 30, 2018 (Audited)			
Fair value			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			

## RECURRING FAIR VALUE MEASUREMENTS

### Financial assets

#### Financial assets at fair value through other comprehensive income

Al Hail ORIX Finance PSC	-	-	229,180,469	229,180,469
Ordinary shares - unlisted	-	-	13,840,691	13,840,691

#### Financial assets at fair value through profit or loss

Treasury bills	-	758,747,378	-	758,747,378
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### Non-financial assets

Fixed assets (Leasehold land and building)	-	-	408,496,485	408,496,485
Total	-	758,747,378	651,517,645	1,410,265,023

# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

(Un-audited)	
Half year ended	
December 31, 2018	December 31, 2017
-----Rupees-----	

## 25 CASH AND CASH EQUIVALENTS

Cash at bank	<b>319,881,422</b>	250,417,152
Cash in hand	<b>1,629,232</b>	1,315,166
	<b>321,510,654</b>	251,732,318
Running finance arrangements	<b>(1,431,784,498)</b>	(1,351,474,640)
	<b>(1,110,273,844)</b>	(1,099,742,322)

## 26 EARNINGS PER SHARE - BASIC AND DILUTED

Profit for the period after taxation	<b>507,378,979</b>	403,652,682
	-----Number of Shares-----	Restated
Weighted average number of ordinary shares	<b>167,054,902</b>	161,629,375
	-----Rupees-----	Restated
Earnings per share - basic and diluted	<b>3.04</b>	2.50

**26.1** Diluted earnings per share has not been presented separately as the Company does not have any convertible instruments in issue as at December 31, 2018 and December 31, 2017, which would have any effect on the earnings per share if the option to convert is exercised.

## 27 CORRESPONDING FIGURES

Certain corresponding figures have been reclassified, rearranged or additionally incorporated in this unconsolidated condensed interim financial information for the purposes of comparison and better presentation. There were no significant reclassifications / restatements to corresponding figures during the period.

## 28 GENERAL

Figures reported in this unconsolidated condensed interim financial information have been rounded off to the nearest Rupee unless otherwise stated.

## 29 DATE OF AUTHORISATION FOR ISSUE

This unconsolidated condensed interim financial information was authorised for issue on February 22, 2019 by the Board of Directors of the Company.

  
Shaheen Amin  
Chief Executive Officer

  
Nasim Hyder  
Director

  
Maryam Aziz  
Chief Financial Officer

# Consolidated Condensed Interim Statement of Financial Position

As at December 31, 2018

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
		-----Rupees-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	5	5,310,136,955	5,153,413,882
Intangible assets	6	88,531,634	96,193,782
Net investment in finance lease	7	18,077,267,493	18,840,807,660
Current maturity		(9,111,533,544)	(9,322,608,857)
Allowance for potential lease losses		(790,562,901)	(924,124,734)
		(9,902,096,445)	(10,246,733,591)
		8,175,171,048	8,594,074,069
Investment in associated undertakings		789,072,147	672,208,880
Long-term investments	8	391,268,255	307,453,115
Long-term finances and loans		3,934,496,525	3,894,555,609
Long-term deposits		12,397,048	12,138,660
		18,701,073,612	18,730,037,997
<b>Current assets</b>			
Short-term finances		302,623,039	242,846,690
Accrued return on investments and term finance		84,697,209	83,360,712
Current maturity of non-current assets	9	12,160,751,278	12,138,619,740
Short-term investments	10	549,103,256	772,588,069
Advances and prepayments		160,634,602	105,867,225
Other receivables		158,084,613	156,302,114
Cash and bank balances		559,395,044	924,936,908
Net investment in Ijarah finance		370,000	370,000
		13,975,659,041	14,424,891,458
Assets classified as held for sale	11	289,597,920	280,731,455
<b>Total assets</b>		<b>32,966,330,573</b>	<b>33,435,660,910</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital 350,000,000 (June 30, 2018: 350,000,000) Ordinary shares of Rs.10 each		3,500,000,000	3,500,000,000
Issued, subscribed and paid-up capital	12	1,670,549,020	1,392,124,190
Capital reserves		3,146,553,973	3,428,393,164
Revenue reserves		2,547,536,079	2,401,831,721
Total equity attributable to equity holder of the Holding Company		7,364,639,072	7,222,349,075
Non-controlling interest		918,622,591	982,061,399
		8,283,261,663	8,204,410,474
<b>Non-current liabilities</b>			
Long-term finances	13	8,046,881,260	6,833,920,736
Long-term certificates of deposit		3,070,432,433	3,225,368,617
Long-term deposits		634,585,893	553,806,134
Deferred taxation		596,631,479	480,597,549
Other long-term liabilities		199,020,574	202,558,668
Defined benefit obligation		-	19,969,684
Redeemable capital		11,550,000	8,200,000
		12,559,101,639	11,324,421,388
<b>Current liabilities</b>			
Trade and other payables		1,409,654,284	1,238,831,800
Accrued interest / mark-up / profit on loans, finances and certificates of deposit		344,494,726	283,728,568
Unpaid dividend		8,117	208,224,070
Unclaimed dividend		81,507,253	70,843,967
Short-term borrowings	14	1,431,784,498	2,355,358,951
Short-term certificates of deposit		801,459,305	1,047,782,107
Taxation-net		186,854,916	191,098,782
Current maturity of non-current liabilities	15	7,868,204,172	8,510,960,803
		12,123,967,271	13,906,829,048
<b>Total equity and liabilities</b>		<b>32,966,330,573</b>	<b>33,435,660,910</b>
<b>Contingencies and Commitments</b>			
	16		

The annexed notes 1 to 29 form an integral part of this consolidated condensed interim financial information.

  
Shaheen Amin  
Chief Executive Officer

  
Nasim Hyder  
Director

  
Maryam Aziz  
Chief Financial Officer

# Consolidated Condensed Interim Statement of Profit or Loss (Un-audited)

For the half year and quarter ended December 31, 2018

	Note	Half year ended		Quarter ended	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
-----Rupees-----					
<b>INCOME</b>					
<b>Income from operations</b>					
Finance leases		1,339,780,038	1,234,509,457	691,290,377	626,152,430
Operating leases		945,689,540	1,144,425,902	494,556,769	551,308,076
Mark-up on term finance		515,276,203	347,677,945	270,715,545	178,768,454
		<b>2,800,745,781</b>	<b>2,726,613,304</b>	<b>1,456,562,691</b>	<b>1,356,228,960</b>
<b>Income from other activities</b>					
Other income - net	17	151,375,552	134,667,824	79,033,922	67,020,692
Share of profit of equity accounted undertakings	18	27,410,766	82,836,468	18,069,332	35,759,635
		<b>178,786,318</b>	<b>217,504,292</b>	<b>97,103,254</b>	<b>102,780,327</b>
		<b>2,979,532,099</b>	<b>2,944,117,596</b>	<b>1,553,665,945</b>	<b>1,459,009,287</b>
<b>EXPENSES</b>					
Finance cost	19	900,502,371	816,950,285	467,510,216	405,406,040
Administrative and general expenses		682,113,964	607,601,774	356,351,396	317,360,243
Direct cost		780,660,993	956,511,500	403,591,708	466,429,369
		<b>2,363,277,328</b>	<b>2,381,063,559</b>	<b>1,227,453,320</b>	<b>1,189,195,652</b>
<b>Profit before provision and taxation</b>		<b>616,254,771</b>	<b>563,054,037</b>	<b>326,212,625</b>	<b>269,813,635</b>
Reversal of provision for potential lease and other loan losses - net		(128,257,707)	(8,717,203)	(95,660,264)	(27,071,286)
Other provisions - net	20	10,675,160	12,142,638	8,816,501	11,708,141
		<b>(117,582,547)</b>	<b>3,425,435</b>	<b>(86,843,763)</b>	<b>(15,363,145)</b>
<b>Profit before taxation</b>		<b>733,837,318</b>	<b>559,628,602</b>	<b>413,056,388</b>	<b>285,176,780</b>
Taxation - Current	21	117,858,750	64,233,292	61,629,093	22,311,121
- Deferred		96,363,061	75,663,507	67,470,436	36,628,748
		<b>214,221,811</b>	<b>139,896,799</b>	<b>129,099,529</b>	<b>58,939,869</b>
<b>Net profit for the period after taxation</b>		<b>519,615,507</b>	<b>419,731,803</b>	<b>283,956,859</b>	<b>226,236,911</b>
<b>Profit attributable to</b>					
Equity shareholders of the Holding Company		492,287,255	390,228,886	269,517,645	209,896,143
Non-controlling interest		27,328,252	29,502,917	14,439,214	16,340,768
		<b>519,615,507</b>	<b>419,731,803</b>	<b>283,956,859</b>	<b>226,236,911</b>
<b>Earnings per share - basic and diluted</b>	26	<b>2.95</b>	Restated 2.41	<b>1.70</b>	Restated 1.40

The annexed notes 1 to 29 form an integral part of this consolidated condensed interim financial information.

  
Shaheen Amin  
Chief Executive Officer

  
Nasim Hyder  
Director

  
Maryam Aziz  
Chief Financial Officer

# Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For the half year and quarter ended December 31, 2018

	Half year ended		Quarter ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	-----Rupees-----			
<b>Profit for the period after taxation attributable to:</b>				
Equity shareholders of the Holding Company	492,287,255	390,228,886	269,517,645	209,896,143
Non-controlling interest	27,328,252	29,502,917	14,439,214	16,340,768
	<b>519,615,507</b>	419,731,803	<b>283,956,859</b>	226,236,911
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Exchange gain arising on translation of foreign associates - net of deferred tax	73,896,062	87,344,034	64,546,411	75,905,187
<b>Items that will not be subsequently reclassified in profit or loss</b>				
Fair value change on remeasurement of financial assets - net of deferred tax	(2,141,633)	(3,235,835)	(1,211,493)	(1,498,679)
<b>Total comprehensive income for the period</b>	<b>591,369,936</b>	503,840,002	<b>347,291,777</b>	300,643,419
<b>Total comprehensive income for the period attributable to:</b>				
Equity shareholders of the Holding Company	564,041,684	474,337,085	332,852,563	284,302,651
Non-controlling interest	27,328,252	29,502,917	14,439,214	16,340,768
	<b>591,369,936</b>	503,840,002	<b>347,291,777</b>	300,643,419

The annexed notes 1 to 29 form an integral part of this consolidated condensed interim financial information.

  
Shaheen Amin  
Chief Executive Officer

  
Nasim Hyder  
Director

  
Maryam Aziz  
Chief Financial Officer

# Consolidated Condensed Interim Statement of Cash Flows (Un-audited)

For the half year ended December 31, 2018

	Note	December 31, 2018	December 31, 2017
-----Rupees-----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation for the period		733,837,318	559,628,602
<b>Adjustments for:</b>			
Depreciation and amortisation		814,955,607	909,777,835
Amortisation of transaction cost		4,197,265	6,433,685
Reversal of provision for potential lease and other loan losses - net		(128,257,707)	(8,717,203)
Provision against other receivables		9,760,404	11,011,229
Provision for workers' welfare fund		914,762	1,131,409
Provision for service sales tax		631,384	743,234
Charge for defined benefit plan		10,287,804	8,192,520
Share of profit of equity accounted undertakings		(27,410,766)	(82,836,468)
Fair value changes on remeasurement of financial assets at fair value		(122,602)	64,459
Finance cost		674,280,249	544,134,753
Profit on certificates of deposit		213,219,436	254,271,873
Dividend income		(470,660)	(909,000)
Return on investments and deposits		(40,079,547)	(30,501,673)
Gain on disposal of fixed assets		(5,769,459)	(21,806,525)
		1,526,136,170	1,590,990,128
<b>Operating profit before working capital changes</b>		2,259,973,488	2,150,618,730
<b>Decrease / (Increase) in operating assets</b>			
Investment in finance lease - net		763,540,167	(1,285,876,332)
Long-term finances and loans - net		(214,587,786)	(826,626,296)
Short-term finances		(63,295,703)	(40,788,807)
Long-term deposits		(258,388)	(335,000)
Advances and prepayments		(37,425,322)	(34,523,422)
Other receivables		(27,625,363)	(70,034,567)
		420,347,605	(2,258,184,424)
<b>Increase / (decrease) in operating liabilities</b>			
Deposits from lessees - net		71,559,990	185,551,053
Other long term liabilities - net		(250,133,384)	(374,380,067)
Trade and other payables		180,146,721	452,133,094
		1,573,327	263,304,080
<b>Cash generated from operating activities</b>		2,681,894,420	155,738,386
Payment against staff retirement benefits		(30,257,488)	(24,706,540)
Income tax paid		(122,102,616)	(44,753,370)
		(152,360,104)	(69,459,910)
<b>Net cash generated from operating activities</b>		2,529,534,316	86,278,476
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred - own use and intangible assets		(43,710,201)	(30,410,509)
Capital expenditure incurred - operating lease assets		-	(18,185,182)
Capital expenditure incurred - ijarah finance		(1,083,001,966)	(1,205,160,444)
Proceeds from disposal of assets - own use		2,914,831	5,987,986
Proceeds from sale of ijarah finance assets		165,550,263	731,118,254
Proceeds against sale of e-business		-	5,333,335
Investments - net		93,896,949	109,525,153
Dividend received		470,660	909,000
Interest received		23,114,085	39,800,948
<b>Net cash used in investing activities</b>		(840,765,379)	(361,081,459)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long-term loans - net		2,977,523,405	2,185,992,394
Proceeds from right issue - net		-	1,985,245,504
Short-term borrowings - net		(645,000,000)	(1,155,000,000)
Certificates of deposit redeemed - net		(842,107,669)	(412,926,313)
Repayment of long-term loans and finances		(1,958,098,325)	(2,195,598,330)
Finance cost paid		(580,138,235)	(577,936,463)
Dividend paid		(727,915,523)	(195,169,209)
<b>Net cash used in financing activities</b>		(1,775,736,347)	(365,392,417)
Net decrease in cash and cash equivalents		(86,967,410)	(640,195,400)
Cash and cash equivalents at beginning of the period		(785,422,044)	(131,025,303)
<b>Cash and cash equivalents at end of the period</b>	25	(872,389,454)	(771,220,703)

The annexed notes 1 to 29 form an integral part of this consolidated condensed interim financial information.

  
Shaheen Amin  
Chief Executive Officer

  
Nasim Hyder  
Director

  
Maryam Aziz  
Chief Financial Officer

# Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)

For the half year ended December 31, 2018

	Attributable to equity shareholders of the Holding Company							Non-controlling Interest	Total	
	Capital Reserves			Revenue Reserves			Sub total			
	Issued, subscribed and paid-up capital	Share premium	Statutory reserve	Surplus on revaluation of leasehold land and office building	Unappropriated profit	Fair value reserve on re-measurement of financial assets				Foreign currency translation reserve
	(Rupees)									
<b>Balance as at July 01, 2017 (Restated)</b>	820,827,940	449,686,099	979,107,379	317,381,264	1,707,488,196	(515,011)	176,250,655	4,450,236,522	1,002,327,037	5,452,563,559
Right shares issued during the period	571,296,250	-	-	-	-	-	-	571,296,250	-	571,296,250
Premium on Right shares during the period - net	-	1,413,949,254	-	-	-	-	-	1,413,949,254	-	1,413,949,254
Profit for the period	-	-	-	-	390,228,886	-	-	390,228,886	29,502,917	419,731,803
Other comprehensive income	-	-	-	-	-	(3,235,835)	87,344,034	84,108,199	-	84,108,199
<b>Total comprehensive income for the period</b>	-	-	-	-	390,228,886	(3,235,835)	87,344,034	474,337,085	29,502,917	503,840,002
<b>Transactions with owners recorded directly in equity</b>										
Cash dividend @ Rs. 3.00 per ordinary share of Rs. 10.00 each	-	-	-	-	(417,637,257)	-	-	(417,637,257)	-	(417,637,257)
Profit distribution for the year ended June 30, 2017 @ Rs. 2.7 per certificate	-	-	-	-	-	-	-	-	(98,028,425)	(98,028,425)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	-	(4,568,769)	5,309,521	-	-	740,752	-	740,752
<b>Balance as at December 31, 2017 (Restated)</b>	<u>1,392,124,190</u>	<u>1,863,635,353</u>	<u>979,107,379</u>	<u>312,812,495</u>	<u>1,685,399,346</u>	<u>(3,750,846)</u>	<u>263,594,689</u>	<u>6,492,922,606</u>	<u>933,801,529</u>	<u>7,426,724,135</u>
<b>Balance as at July 1, 2018</b>	<u>1,392,124,190</u>	<u>1,863,635,353</u>	<u>1,255,031,986</u>	<u>309,725,825</u>	<u>2,349,095,118</u>	<u>2,888,459</u>	<u>49,848,144</u>	<u>7,222,349,075</u>	<u>982,061,399</u>	<u>8,204,410,474</u>
Impact of change in accounting policy - net of tax	-	-	-	-	39,060,357	(39,060,357)	-	-	-	-
Impact of change in associate's accounting policy - net of tax	-	-	-	-	(3,268,836)	-	-	(3,268,836)	-	(3,268,836)
<b>Total comprehensive income for the half year ended December 31, 2018</b>	-	-	-	-	492,287,255	-	-	492,287,255	27,328,252	519,615,507
Other comprehensive income/(loss)	-	-	-	-	(845,594)	(2,141,633)	73,896,062	70,908,835	-	70,908,835
<b>Total comprehensive income for the period</b>	-	-	-	-	491,441,661	(2,141,633)	73,896,062	563,196,090	27,328,252	590,524,342
Bonus shares issued from share premium reserve	278,424,830	(278,424,830)	-	-	-	-	-	-	-	-
<b>Transactions with owners recorded directly in equity</b>										
Cash dividend @ Rs.3.00 per ordinary share of Rs. 10.00 each for the year ended June 30, 2018	-	-	-	-	(417,637,257)	-	-	(417,637,257)	-	(417,637,257)
Profit distribution for the year ended June 30, 2018 @ Rs. 2.5 per certificate	-	-	-	-	-	-	-	-	(90,767,060)	(90,767,060)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	-	(3,414,361)	3,414,361	-	-	-	-	-
<b>Balance as at December 31, 2018</b>	<u>1,670,549,020</u>	<u>1,585,210,523</u>	<u>1,255,031,986</u>	<u>306,311,464</u>	<u>2,462,105,404</u>	<u>(38,313,531)</u>	<u>123,744,206</u>	<u>7,364,639,072</u>	<u>918,622,591</u>	<u>8,283,261,663</u>

  
**Shaheen Amin**  
 Chief Executive Officer

  
**Nasim Hyder**  
 Director

  
**Maryam Aziz**  
 Chief Financial Officer



# Notes to and Forming Part of the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

## 1 LEGAL STATUS AND OPERATIONS

The "Group" consists of:

- (i) ORIX Leasing Pakistan Limited - the Holding Company
- (ii) ORIX Services Pakistan (Private) Limited - Subsidiary company
- (iii) ORIX Modaraba - Subsidiary company

### 1.1 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 repealed Companies Ordinance, 1984 and was converted into a public limited company on December 23, 1987. The Company is listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at Islamic Chamber of Commerce Building, Clifton, Karachi. The Holding Company is licensed to carry out Investment Finance Services 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 (SECP).

- 1.2 The Pakistan Credit Rating Agency Limited (PACRA) has assigned a long-term rating of AA+ and a short-term rating of A1+ to the Holding Company on August 16, 2018.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

This consolidated condensed interim financial information has been prepared in accordance with accounting and reporting standards as applicable in Pakistan, which comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFASs) issued by the ICAP as are notified under the Companies Act, 2017, the requirements of Companies Act, 2017, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. In case the requirements differ, the provisions of and directives issued under the NBFC Rules, the NBFC Regulations, the Companies Act, 2017 and the directives issued by the SECP prevail.

### 2.2 Basis of measurement

This consolidated condensed interim financial information has been prepared under the historical cost convention except for the following:

- Leasehold land and office building is stated at revalued amounts;
- Financial instruments at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured at fair values;
- Obligation in respect of staff gratuity is measured at present value of defined benefit obligation;
- Non-current assets classified as held-for-sale are valued at lower of carrying amount and fair value less cost to sell; and
- Investments in associated undertakings are valued under equity accounting method.

- 2.3 This consolidated condensed interim financial information does not include all the information required for a full set of financial statements and should be read in conjunction with the annual published consolidated audited financial statements of the Company for the year ended June 30, 2018.

# Notes to and Forming Part of the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

**2.4** The comparative statement of financial position presented in this consolidated condensed interim financial information has been extracted from the annual published consolidated audited financial statements of the Holding Company for the year ended June 30, 2018, whereas the comparative profit or loss, statement of comprehensive income, statement of changes in equity and cash flow statement are stated from the consolidated unaudited condensed interim financial information for the period ended December 31, 2017.

**2.5** This consolidated condensed interim financial information has been presented in Pakistani Rupees, which is the functional currency of the Holding Company.

## **3 SIGNIFICANT POLICIES, ESTIMATES, ASSUMPTIONS AND CHANGES THEREIN**

**3.1** The accounting policies adopted in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the annual published consolidated audited financial statements of the Holding Company for the year ended June 30, 2018 except the following:

**3.1.1** The Group has adopted IFRS 9 'Financial Instruments' issued by the International Accounting Standards Board (IASB) in July 2014 effective from July 01, 2018. IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement and includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. The Group has changed relevant accounting policies and made adjustments to the amounts previously recognised in the financial statements, except in the case of calculation of impairment provision on financial assets where the requirements of the NBFC Regulations prevail.

As allowed by IFRS 9, the Group has elected not to restate comparative figures and therefore adjustments to the carrying amounts of financial assets and liabilities at the date of transition resulting from the adoption of IFRS 9, were recognised through adjustment to the opening equity of the current period. 'Unrealized gains/ loss on remeasurement of financial assets' has been renamed 'Fair value reserve on remeasurement of financial assets'.

The application of this change in accounting policy has increased 'Unappropriated Profit' and decreased 'Fair value reserve on remeasurement of financial assets' by Rs. 39.06 million as at July 01, 2018.

### **Classification and measurement of financial instruments**

A comparison between the measurement category and the carrying amount of financial assets and liabilities in accordance with previous accounting policies under IAS 39 and IFRS 9 as at July 01, 2018 is as follows:

	June 30, 2018 IAS 39		July 01, 2018 IFRS 9	
	Measurement Category	Carrying amount	Measurement Category	Carrying amount
<b>Financial assets</b>				
Long term investments	Available for sale (Al Hail ORIX Finance PSC)	229,180,469	At fair value through other comprehensive income	229,180,469
Long term investments	Available for sale National Investment (Unit) Trust	14,917,700	At fair value through other comprehensive income	14,917,700
Short term investments	Available for sale Ordinary shares - unlisted	13,840,691	At fair value through other comprehensive income	13,840,691

# Notes to and Forming Part of the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

**3.1.2** IFRS 15 'Revenue from Contracts with Customers' replaced IAS 18 'Revenue', IAS 11 Construction Contracts and related interpretations. The Group has applied the modified retrospective method upon adoption of IFRS 15 as allowed under the Standard. The existing revenue recognition methods are consistent with the recognition criteria given in IFRS 15. Therefore, the adoption of IFRS 15 did not have any impact on consolidated condensed interim financial information.

**3.2** The preparation of this consolidated condensed interim financial information in conformity with the accounting standards requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

**3.3** The significant judgments, estimates and assumptions made by Management in applying the Holding Company's accounting policies and the factors used in making those estimates and associated assumptions were the same as those that were applied to the audited annual published consolidated financial statements for the year ended June 30, 2018.

**3.4** Certain new amendments to approved accounting standards have been published and are mandatory for the Holding Company's accounting period beginning on or after July 1, 2018 but are considered not to be relevant or to have any significant effect on this consolidated condensed interim financial information.

**3.5 Standards, interpretations and amendments to approved accounting standards that are not yet effective**

The following revised standards, amendments and interpretations of approved accounting standards would be effective from the dates mentioned below against the respective standard or interpretation:

<b>Standard, Interpretation or Amendment</b>	<b>Effective date (annual periods beginning on or after)</b>
- IAS - 28 'Investments in Associates and Joint Ventures'	January 1, 2019
- IAS 19 'Employee Benefits'	January 1, 2019
- IFRS 16 'Leases'	January 1, 2019
- IFRIC 23 'Uncertainty over Income Tax Treatments'	January 1, 2019
- IFRS 3 'Business Combinations and IFRS 11 Joint Arrangement'	January 1, 2020

**Annual Improvements to IFRS Standards 2015–2017 Cycle**

- IAS 1 'Presentation of Financial Statements and IAS 8 Accounting Policies'	January 1, 2020
- IAS 12 'Income Taxes'	January 1, 2019
- IAS 23 'Borrowing Costs'	January 1, 2019

The Group is currently in the process of analyzing the potential impact of changes in policies on adoption of the above standards.

**4 RISK MANAGEMENT POLICIES**

The financial risk management objectives and policies are consistent with those disclosed in the annual audited published consolidated financial statements of the Company for the year ended June 30, 2018.

# Notes to and Forming Part of the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

5	FIXED ASSETS	(Un-audited)	(Audited)
		December 31, 2018	June 30, 2018
		-----Rupees-----	
	Own use	<b>564,114,938</b>	559,929,904
	Operating lease	<b>138,107,064</b>	142,772,436
	ljarah finance	<b>4,607,914,953</b>	4,450,711,542
		<b>5,310,136,955</b>	5,153,413,882

5.1 The following is a statement of cost of additions and disposals to / from fixed assets for the six months period ended December 31, 2018.

	Own use		Operating lease assets		Assets under ljarah finance	
	Additions	Disposals	Additions	Disposals	Additions	Disposals
----- (Rupees) -----						
Generators / Machinery	-	-	-	-	691,473,769	203,839,531
Furniture, fittings and office equipment	284,850	1,509,933	-	-	-	-
Computers and accessories	3,868,975	1,115,446	-	-	-	-
Vehicles	29,130,325	4,781,090	-	-	391,528,197	532,416,721
Capital work in progress	415,100	-	-	-	-	-
December 31, 2018	<b>33,699,250</b>	<b>7,406,469</b>	-	-	<b>1,083,001,966</b>	<b>736,256,252</b>
December 31, 2017	14,037,857	11,222,447	18,185,182	-	1,205,160,444	1,965,820,597

6	INTANGIBLE ASSETS	Note	(Un-audited)	(Audited)
			December 31, 2018	June 30, 2018
			-----Rupees-----	
	Computer software and license	6.1	<b>19,517,187</b>	21,036,478
	Goodwill		<b>13,728,733</b>	13,728,733
	Customer relationship for ljarah		<b>55,285,714</b>	61,428,571
			<b>88,531,634</b>	96,193,782

6.1 Additions amounting to Rs. 4,648,334 (December 2017: Rs. 16,333,866) were made to intangible assets during the six months period ended December 31, 2018. No disposals were made during the period.

7	NET INVESTMENT IN FINANCE LEASE	(Un-audited)	(Audited)
		Additions 2018	June 30, 2018
		-----Rupees-----	
	Instalment contract receivables	<b>21,974,093,666</b>	22,573,597,326
	Residual value	<b>8,417,194,684</b>	8,661,544,481
		<b>30,391,288,350</b>	31,235,141,807
	Less: Adjustable security deposit	<b>8,398,237,689</b>	8,642,760,086
	Less: Unearned finance income	<b>3,915,783,168</b>	3,751,574,061
		<b>18,077,267,493</b>	18,840,807,660

# Notes to and Forming Part of the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

	Note	(Un-audited)	(Audited)
		December 31, 2018	June 30, 2018 Restated
		-----Rupees-----	
<b>8 LONG-TERM INVESTMENTS</b>			
<b>Amortised Cost</b>			
Pakistan Investment Bonds (PIBs)	8.1	<b>211,274,032</b>	63,354,946
Investment in Sukuk certificates	8.2	<b>57,701,835</b>	57,701,835
Less: Provision for potential losses on investments		<b>57,701,835</b>	57,701,835
		-	-
<b>At fair value through other comprehensive income</b>			
Units of collective investment scheme			
National Investment (Unit) Trust			
202,000 (2018: 202,000) units of Rs. 10 each			
Cost Rs. 1,363,500 (2018: Rs. 1,363,500)		<b>12,804,780</b>	14,917,700
Al-Hail ORIX Finance PSC		<b>279,097,858</b>	279,097,858
Less: Impairment		-	(49,917,389)
Less: Fair value change on remeasurement of financials assets	3.1	<b>(49,917,389)</b>	-
		<b>229,180,469</b>	229,180,469
Less: Current maturity		<b>61,991,026</b>	-
		<b>391,268,255</b>	307,453,115
<b>8.1</b>	This represents investments made as required under Regulation 14(4)(g) of the NBFC Regulations to maintain liquidity against certificates of deposit. These carry coupon rate of 12.00% (June 2018: 12.00%) per annum and are redeemable within a period of four years.		
<b>8.2</b>	This represents investment by the Modaraba in unlisted Sukuk Certificates which has been fully provided.		
		(Un-audited)	(Audited)
	Note	December 31, 2018	June 30, 2018
		-----Rupees-----	
<b>9 CURRENT MATURITY OF NON-CURRENT ASSETS</b>			
<b>Current maturity of:</b>			
Net investment in finance lease		<b>9,111,533,544</b>	9,322,608,857
Long-term finances and loans		<b>2,987,226,708</b>	2,816,010,883
Long-term investments		<b>61,991,026</b>	-
		<b>12,160,751,278</b>	12,138,619,740
<b>10 SHORT-TERM INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Treasury bills	10.1	<b>535,291,276</b>	758,747,378
Term finance certificates		<b>7,500,000</b>	7,500,000
		<b>542,791,276</b>	766,247,378
<b>At fair value through other comprehensive income</b>			
Ordinary shares - unlisted		<b>13,811,980</b>	13,840,691
Less: Allowance for potential losses		<b>7,500,000</b>	7,500,000
		<b>549,103,256</b>	772,588,069

# Notes to and Forming Part of the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

- 10.1** 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 one month (June 2018: three months) from reporting date, carrying yields ranging from 8.73% to 8.79% (June 2018: 6.20% to 6.26%) per annum due at maturity.

	Note	(Un-audited)	(Audited)
		December 31, 2018	June 30, 2018
-----Rupees-----			
<b>11 ASSETS CLASSIFIED AS HELD FOR SALE</b>			
Repossessed assets		<b>29,800,484</b>	20,934,019
Investments in associated undertakings			
- OPP (Private) Limited	11.1	<b>87,754,399</b>	87,754,399
- ORIX Leasing Egypt SAE	11.2	<b>172,043,037</b>	172,043,037
		<b>289,597,920</b>	280,731,455

- 11.1** The Holding Company holds 45% ownership interest in OPP (Private) Limited. Management intends to divest its investment in the company, subject to necessary regulatory approvals.

- 11.2** The Holding Company holds 23% ownership interest in ORIX Leasing Egypt SAE. Management intends divestment of its investment in the company, subject to necessary regulatory approvals.

## 12 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

(Un-audited)	(Audited)		(Un-audited)	(Audited)
December 31, 2018	June 30, 2018		December 31, 2018	June 30, 2018
-----Number of Shares-----				
<b>108,668,055</b>	108,668,055	Issued, subscribed and paid-up-capital	<b>1,086,680,550</b>	1,086,680,550
<b>58,386,847</b>	30,544,364	Fully paid bonus shares	<b>583,868,470</b>	305,443,640
<b>167,054,902</b>	139,212,419		<b>1,670,549,020</b>	1,392,124,190

- 12.1** During the period, the Holding Company issued 27,842,483 bonus shares from share premium reserves.

Reconciliation between ordinary shares in issue at the beginning and end of the period / year is as follows:

	December 31, 2018	June 30, 2018
----- (Number of Shares) -----		
As at beginning of the period / year	<b>139,212,419</b>	82,082,794
Issue of bonus shares during the period / year	<b>27,842,483</b>	-
Issue of right shares during the period / year	-	57,129,625
At the end of period / year	<b>167,054,902</b>	139,212,419

	Note	(Un-audited)	(Audited)
		December 31, 2018	June 30, 2018
-----Rupees-----			
<b>13 LONG-TERM FINANCES - Secured</b>			
Long-term finances utilised under mark-up arrangements - financial institutions		<b>12,086,952,772</b>	11,066,852,693
Less: Unamortised transaction cost		<b>7,298,522</b>	11,495,788
Less: Current maturity	15	<b>4,032,772,990</b>	4,221,436,169
		<b>4,040,071,512</b>	4,232,931,957
		<b>8,046,881,260</b>	6,833,920,736

# Notes to and Forming Part of the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

	Note	(Un-audited)	(Audited)
		December 31, 2018	June 30, 2018
-----Rupees-----			
<b>14</b>	<b>SHORT-TERM BORROWINGS- Secured</b>		
	From Banking Companies		
	Running finance arrangements	<b>1,431,784,498</b>	1,710,358,951
	Short-term loans	-	645,000,000
		<b>1,431,784,498</b>	<b>2,355,358,951</b>

## 15 CURRENT MATURITY OF NON-CURRENT LIABILITIES

Current maturity of:			
Long-term finances	13	<b>4,032,772,990</b>	4,221,436,169
Long-term certificates of deposit		<b>561,940,634</b>	1,002,789,317
Long-term deposits		<b>158,600,548</b>	167,820,317
Current portion of redeemable capital		<b>3,114,890,000</b>	3,118,915,000
		<b>7,868,204,172</b>	<b>8,510,960,803</b>

## 16 CONTINGENCIES AND COMMITMENTS

**16.1** There was no change in the status of contingencies as disclosed in the note 33 to the annual published consolidated financial statements for the year ended June 30, 2018 except the following:

The Holding Company has received show cause notices from the Sindh Revenue Board (SRB) demanding Sindh Provincial Sales Tax (SPST) amounting to Rs. 519 million against income from operating lease rental of generators for the years ended June 30, 2012, 2013, 2014, 2015, 2016 and 2017 along with the applicable penalty and default surcharge.

The Holding Company had filed suits against the show cause notices relating to years 2012 to 2015 before High Court of Sindh (SHC) challenging the levy of SPST on renting of generators and obtained stay order restricting SRB from taking any coercive measures against the Company. During the period, these suits were withdrawn due to the decision by Supreme Court of Pakistan that in order for a suit to continue, a minimum of 50% of the tax calculated by the tax authorities must be deposited in respective treasury. Consequent to withdrawal of the suits, SRB issued fresh show cause notices for each of the tax years 2012 to 2017. In case of financial year 2012 and 2016, the Assistant Commissioner SRB also passed an order against the Holding Company and created the demand of Rs. 43.6 million and Rs. 77.3 million respectively and issued recovery notices. The Holding Company has filed an appeal against the recovery orders before the Commissioner Appeals SRB and also obtained interim relief from SHC by filing separate petitions for each of the years from 2012 to 2017, challenging the levy of SPST on renting of generators and obtained stay order restricting SRB from taking coercive measures against the Holding Company.

Based on the merit of the case, Management considers that decision will be in the Holding Company's favour, hence, no provision has been recorded in this condensed interim consolidated financial information in this regard.

**16.2** Finance leases committed but not executed at the reporting date amounted to Rs.46.58 million (June 2018: Rs. 55.94 million).

**16.3** The Modaraba has issued letters of comfort to various commercial banks amounting to Rs.103.53 million (June 2018: Rs. 186.78 million) on behalf of its customers.

# Notes to and Forming Part of the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

		(Un-audited)	
		Half year ended	
		December 31, 2018	December 31, 2017
		-----Rupees-----	
<b>17</b>	<b>OTHER INCOME - NET</b>		
	Income from investments	<b>15,831,801</b>	41,009,542
	Other fees and income	<b>135,543,751</b>	93,658,282
		<b>151,375,552</b>	134,667,824

## 18 SHARE OF PROFIT OF EQUITY ACCOUNTED UNDERTAKINGS

(Un-audited)					
		Half year ended December 31, 2018		Half year ended December 31, 2017	
Name of associate	Associates' profit after tax	Share of associates' profit after tax	Associates' profit after tax	Share of associates' profit after tax	
					-----Rupees-----
<b>Quoted</b>					
Oman ORIX Leasing Company SAOG	-	-	464,944,105	54,127,398	
	-	-	464,944,105	54,127,398	
<b>Un-quoted</b>					
Saudi ORIX Leasing Company	<b>1,370,538,325</b>	<b>27,410,766</b>	768,264,733	19,206,619	
ORIX Leasing Egypt SAE	-	-	41,315,005	9,502,451	
	<b>1,370,538,325</b>	<b>27,410,766</b>	809,579,738	28,709,070	
	<b>1,370,538,325</b>	<b>27,410,766</b>	1,274,523,843	82,836,468	

		(Un-audited)	
		Half year ended	
		December 31, 2018	December 31, 2017
		-----Rupees-----	
<b>19</b>	<b>FINANCE COST</b>		
	Interest / mark-up on:		
	- Long-term finances	<b>417,582,955</b>	373,104,634
	- Redeemable capital	<b>110,912,786</b>	70,438,809
	- Musharika finance arrangements	<b>70,061,306</b>	30,825,611
	- Short-term borrowings	<b>66,076,982</b>	56,929,912
	- Certificates of deposit	<b>213,219,436</b>	259,199,850
	Amortisation of transaction costs	<b>4,197,265</b>	6,433,685
	Bank charges and commission	<b>18,451,641</b>	20,017,784
		<b>900,502,371</b>	816,950,285

## 20 OTHER PROVISIONS - NET

(Reversal) / Provision against other receivables	<b>(578,340)</b>	11,011,229
Provision for workers' welfare fund	<b>914,756</b>	1,131,409
Provision against ijarah receivables	<b>275,308</b>	-
Impairment of assets held for sale	<b>10,063,436</b>	-
	<b>10,675,160</b>	12,142,638

## 21 TAXATION

The tax charge for the current period has been made under the provisions of the Alternate Corporate Tax under Section 113C of the Income Tax Ordinance, 2001.



# Notes to and Forming Part of the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

## 22 SEGMENT INFORMATION

The Group has three primary reporting segments namely, 'Finance lease', 'Finances & Loans' 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. Finances and loans are primarily extended to corporate entities and individuals for purchase of saloon vehicles. This segment also includes micro finance which primarily represents group / community based lending to the under-privileged community. Under the operating lease segment, the Group provides equipments on short-term rentals to corporate entities. Other operations, which do not fall into the above segment categories and are not deemed by the Management to be sufficiently significant to disclose as separate items, are reported under 'Investment in subsidiaries, associates and others'.

	December 31, 2018				
	Finance lease	Finances and loans	Operating lease	Investment in subsidiaries, associates & others	Total
----- (Rupees) -----					
<b>Segment analysis for the half year ended December 31, 2018 - (Unaudited)</b>					
Segment revenues	1,396,167,059	529,967,225	955,422,281	97,975,534	2,979,532,099
Finance cost	477,047,322	187,653,067	133,733,355	102,068,627	900,502,371
Administrative and general expenses	460,583,983	141,945,430	70,136,344	9,448,207	682,113,964
Direct cost	6,188,005	587,944	773,885,044	-	780,660,993
(Reversals) / Provisions-net	(123,534,095)	6,950,396	(493,703)	(1,419,907)	(118,497,309)
<b>Segment results</b>	<u>575,881,844</u>	<u>192,830,388</u>	<u>(21,838,759)</u>	<u>(12,121,393)</u>	<u>734,752,080</u>
Provision for Workers' Welfare Fund	-	-	-	-	(914,762)
Provision for taxation	-	-	-	-	(214,221,811)
<b>Profit for the period</b>					<u>519,615,507</u>
Other information					
Segment assets	<u>17,316,605,076</u>	<u>7,183,671,514</u>	<u>4,916,497,487</u>	<u>2,021,294,661</u>	<u>31,437,968,738</u>
Unallocated assets	-	-	-	-	1,528,361,835
<b>Total assets</b>					<u>32,966,330,573</u>
Segment liabilities	<u>60,061,272</u>	<u>1,868,354,627</u>	<u>82,106,482</u>	-	2,010,522,381
Unallocated liabilities	-	-	-	-	22,672,546,529
<b>Total liabilities</b>					<u>24,683,068,910</u>
<b>Other information for the half year ended December 31, 2018 - (Unaudited)</b>					
Capital expenditure	-	-	1,083,001,966	-	1,083,001,966
Depreciation	-	-	770,137,052	-	770,137,052
Unallocated Capital expenditure	-	-	-	-	43,710,201
Unallocated depreciation and amortisation	-	-	-	-	44,818,555

# Notes to and Forming Part of the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

	December 31, 2017				
	Finance lease	Finances and loans	Operating lease	Investment in subsidiaries, associates & others	Total
	----- (Rupees) -----				
<b>Segment analysis for the half year ended December 31, 2017 - (Unaudited)</b>					
Segment revenues	1,291,354,879	361,475,424	1,171,953,792	119,333,501	2,944,117,596
Finance cost	483,417,484	107,303,109	125,674,819	100,554,873	816,950,285
Administrative and general expenses	405,384,143	94,045,823	94,096,802	14,075,006	607,601,774
Direct cost	9,747,497	1,244,711	945,519,292	-	956,511,500
(Reversals) / Provisions-net	(26,476,748)	12,982,081	15,686,693	102,000	2,294,026
<b>Segment result</b>	<b>419,282,503</b>	<b>145,899,700</b>	<b>(9,023,814)</b>	<b>4,601,622</b>	<b>560,760,011</b>
Provision for Workers' Welfare Fund					1,131,409
Provision for taxation					(139,896,799)
<b>Profit for the period</b>					<b>419,731,803</b>
<b>Segment assets and Liabilities for the year ended June 30, 2018 (Audited)</b>					
Segment assets	17,937,616,945	6,820,800,431	4,730,446,544	2,049,233,886	31,538,097,806
Unallocated assets	-	-	-	-	1,897,563,104
<b>Total assets</b>					<b>33,435,660,910</b>
Segment liabilities	316,895,966	772,607,854	1,795,103,516	-	2,884,607,336
Unallocated liabilities	-	-	-	-	22,346,643,100
<b>Total liabilities</b>					<b>25,231,250,436</b>
<b>Other information for the half year ended December 31, 2017 (Unaudited)</b>					
Capital expenditure	-	-	1,223,345,626	-	1,223,345,626
Depreciation	-	-	867,423,536	-	867,423,536
Unallocated Capital expenditure	-	-	-	-	30,371,723
Unallocated depreciation and amortisation	-	-	-	-	42,354,299

## 23 TRANSACTIONS / BALANCES WITH RELATED PARTIES

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

The Group in the normal course of business carries out transactions with various related parties. These transactions 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.

# Notes to and Forming Part of the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

## 23.1 Transactions with related parties during the period are given below:

	(Un-audited)	
	Half year ended	
	December 31, 2018	December 31, 2017
	-----Rupees-----	
<b>ORIX Corporation, Japan - Parent Company - 49.58% Holding</b>		
Dividend paid - net of tax	<b>383,024,136</b>	-
13,803,256 Bonus shares issued (2018: Nil)	-	-
<b>Saudi ORIX Leasing Company - Associate / Common directorship - 2.5% ownership</b>		
Reimbursement of cost	<b>1,602,759</b>	619,717
<b>ORIX Leasing Egypt SAE - Associate / Common directorship - 23% ownership</b>		
BOD attendance fee received	-	67,854
<b>Oman ORIX Leasing Company SAOG - Associate / Common directorship - 11.64% ownership</b>		
BOD attendance fee received	-	116,916
<b>State Life Insurance Corporation of Pakistan - Common directorship</b>		
Insurance premium and rent expense paid	-	3,741,634
<b>ORIX Leasing Pakistan Limited - Employees Provident Fund (OLP - EPF)</b>		
Contribution paid	<b>14,930,925</b>	12,277,699
<b>ORIX Modaraba - Employees Provident Fund</b>		
Contribution paid	<b>2,030,115</b>	1,783,764
<b>ORIX Leasing Pakistan Limited - Staff Gratuity Fund (OLP - SGF)</b>		
Contribution paid	<b>30,257,488</b>	24,706,540
<b>The Layton Rahmatullah Benevolent Trust - Common directorship</b>		
Charity / Donation paid	<b>500,000</b>	500,000
<b>ORIX Modaraba - Staff Gratuity Fund</b>		
Contribution paid	<b>1,691,069</b>	1,493,213
Reimbursement from Staff Gratuity Fund	<b>525,295</b>	1,058,852
<b>Other related party transactions</b>		
<b>Compensation of Directors and Key Management Personnel</b>		
Directors' fees paid	<b>2,000,000</b>	1,000,000
Short-term employee benefits	<b>121,344,260</b>	98,230,773
Retirement benefits	<b>7,464,059</b>	8,769,811
Total compensation to directors and key management personnel	<b>130,808,319</b>	108,000,584
Issuance of certificates of deposit	<b>400,000</b>	2,284,790
Redemption of certificates of deposit	<b>800,000</b>	8,470,637
Amount of profit paid on certificates of deposit	<b>166,097</b>	455,817
Income earned on Musharika finances	<b>2,439,598</b>	2,945,459
Ijarah rental earned on Ijarah finances	<b>1,930,597</b>	1,569,015
Loans disbursed during the period	<b>2,524,561</b>	13,134,414
Interest recovered during the period	<b>742,161</b>	867,368
Principal recovered during the period	<b>7,646,075</b>	9,717,487
Profit on Redeemable Capital	<b>41,575</b>	13,863

# Notes to and Forming Part of the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

	(Un-audited) December 31, 2018	(Audited) June 30, 2018
	-----Rupees-----	
<b>23.2 Balances with related parties as at period / year end</b>		
Investment in associated undertakings	<b>789,072,147</b>	672,208,880
Investment in associated undertakings - held for sale		
- OPP (Private) Limited - 45% ownership	<b>87,754,399</b>	87,754,399
- ORIX Leasing Egypt SAE - 23% ownership	<b>172,043,037</b>	172,043,037
Long-term investment - Al Hail ORIX Finance PSC - 3% ownership	<b>229,180,469</b>	229,180,469
Certificates of deposit held by Key Management Personnel	<b>3,810,000</b>	4,210,000
Accrued profit on certificates of deposit / Diminishing Musharika / Redeemable capital payable to Key Management Personnel	<b>269,315</b>	299,940
Staff loans receivable from Key Management Personnel	<b>77,739,720</b>	89,136,602
Defined benefit payable to OLP - SGF	-	19,969,684
Payable to staff retirement funds - Modaraba	-	30,865
Dividend payable to ORIX Corporation, Japan - Parent Company	<b>8,117</b>	207,040,074
Receivable from ORIX Leasing Egypt SAE - Associates	<b>176,392</b>	-
Receivable from Saudi ORIX Leasing Company - Associate	<b>30,195</b>	53,837
(Payable to) / Receivable from ORIX Corporation, Japan - Parent Company	<b>(197,910)</b>	37,260
Ijarah rent receivable	<b>156,147</b>	131,144
Security deposits on ijarah finance	<b>307,355</b>	665,436
Redeemable capital	<b>3,000,000</b>	500,000

## 24 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of investments classified as "at fair value through profit or loss" and "at fair value through other comprehensive income" 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 certificates of deposit 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 Holding Company's accounting policy and the requirements of the Non Banking Finance Companies and Notified Entities Regulations, 2008.

# Notes to and Forming Part of the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

In the opinion of Management, 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 or are periodically repriced.

The Group has classified assets using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	<b>December 31, 2018 (Un-audited)</b>			
	<b>Fair value</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
	(Rupees)			
<b>RECURRING FAIR VALUE MEASUREMENTS</b>				
<i>Financial assets</i>				
<b>Financial assets at fair value through other comprehensive income</b>				
Al-Hail ORIX Finance PSC	-	-	229,180,469	229,180,469
Ordinary shares-unlisted	-	-	13,811,980	13,811,980
Units of collective investment scheme	12,804,780			12,804,780
<b>Financial assets at fair value through profit or loss</b>				
Treasury bills	-	535,291,276	-	535,291,276
<b>Non-financial assets</b>				
Fixed assets (Leasehold land & building)	-	-	645,551,392	645,551,392
<b>Total</b>	<b>12,804,780</b>	<b>535,291,276</b>	<b>888,543,841</b>	<b>1,436,639,897</b>

# Notes to and Forming Part of the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

	June 30, 2018 (Audited)			
	Fair value			
	Level 1	Level 2	Level 3	Total
<b>RECURRING FAIR VALUE MEASUREMENTS</b>	(Rupees)			
<b>Financial assets</b>				
<b>Financial assets at fair value through other comprehensive income</b>				
Al-Hail ORIX Finance PSC	-	-	229,180,469	229,180,469
Ordinary shares-unlisted	-	-	13,840,691	13,840,691
Units of collective investment scheme	14,917,700	-	-	14,917,700
<b>Financial assets at fair value through profit or loss</b>				
Treasury bills	-	758,747,378	-	758,747,378
<b>Non-financial assets</b>				
Fixed assets (Leasehold land & building)	-	-	408,496,485	408,496,485
<b>Total</b>	<b>14,917,700</b>	<b>758,747,378</b>	<b>651,517,645</b>	<b>1,425,182,723</b>

	(Un-audited)	
	Half year ended	
	December 31, 2018	December 31, 2017
<b>25 CASH AND CASH EQUIVALENTS</b>	-----Rupees-----	
Cash at bank	<b>557,715,061</b>	578,903,124
Cash in hand	<b>1,679,983</b>	1,350,813
	<b>559,395,044</b>	580,253,937
Running finance arrangements	<b>(1,431,784,498)</b>	(1,351,474,640)
	<b>(872,389,454)</b>	(771,220,703)

## 26 EARNINGS PER SHARE - basic and diluted

Profit for the period after taxation attributable to ordinary share holders of the Holding Company	<b>492,287,255</b>	390,228,886
	----- (Number of Shares) -----	
		Restated
Weighted average number of ordinary shares	<b>167,054,902</b>	161,629,375
	-----Rupees-----	
Earnings per share - basic and diluted	<b>2.95</b>	Restated 2.41

**26.1** Diluted earnings per share has not been presented separately as the Holding Company does not have any convertible instruments in issue as at December 31, 2018 and December 31, 2017, which would have any effect on the earnings per share if the option to convert is exercised.

# Notes to and Forming Part of the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended December 31, 2018

## 27 CORRESPONDING FIGURES

Certain corresponding figures have been reclassified, rearranged or additionally incorporated in this consolidated condensed interim financial information for the purposes of comparison and better presentation. There were no significant reclassifications / restatements to corresponding figures during the period.

## 28 GENERAL

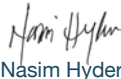
Figures reported in this consolidated condensed interim financial information have been rounded off to the nearest Rupee unless otherwise stated.

## 29 DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue on February 22, 2019 by the Board of Directors of the Holding Company.



Shaheen Amin  
Chief Executive Officer



Nasim Hyder  
Director



Maryam Aziz  
Chief Financial Officer

گروپ کی کارکردگی کی مالیاتی جھلکیاں درج ذیل ہیں:

اختتامِ شہائی

دسمبر 2017

دسمبر 2018

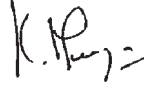
-----روپے-----

559,628,602	733,837,318	قبل از محصول (ٹیکس) منافع
139,896,799	214,221,811	محصولات (ٹیکس)
419,731,803	519,615,507	خالص منافع بعد از ٹیکس (اس مدت کے لئے)
390,228,886	492,287,255	ہولڈنگ کمپنی کے ایکویٹی شیئر ہولڈرز کو قابل ادائیگی منافع
29,502,917	27,328,252	نان کنٹرولنگ مداخلت کے لئے مخصوص منافع
2.41	2.95	آمدن فی شیئر - بنیادی اور حل شدہ

بورڈ کی جانب سے

  
شاہین امین

چیف ایگزیکٹو آفیسر  
فروری 22، 2019



خالد عزیز مرزا  
چیرمین



آپریٹنگ لیز آمدنی جو کہ کریڈٹوں کے کرایہ جات اور اجارہ فنانس پر مشتمل ہے وہ اس مدت میں 115.5 ملین رہی (دسمبر 2017 میں 224.8 ملین روپے) جو کہ گزشتہ سال کی بہ نسبت 49 فیصد کم ہے۔ کمپنی تعمیراتی آلات کی مارکیٹ میں اپنے قدم جانے کے عمل سے ابھی تک گزر رہی ہے جس میں ابھی تک معاشی سرگرمی سست روی کا شکار ہے۔

جون 2018 میں قرضہ جات کی کل رقم 17.05 ملین روپے تھی۔ جو کہ کم ہو کر دسمبر 2018 میں 16.1 ملین روپے رہ گئی۔ لیکن اس کے باوجود مالیاتی لاگت 710.7 ملین روپے رہ گئی۔ جو کہ گزشتہ مالی سال کی اسی مدت کی سطح پر ہے۔ (دسمبر 2017 میں 708.5 ملین) قرضوں کے اجراء کی اوسط لاگت بلند رہی جسکی وجہ SBP کی پالیسی نرخوں میں جون 2018 سے 3.75 فیصد اضافہ تھا۔

اس مدت کے کاروباری اخراجات 588 ملین روپے رہے جو کہ گزشتہ سال اسی مدت سے 13 فیصد زیادہ ہیں (دسمبر 2017 میں 522 ملین روپے) جس کی بنیادی وجہ کمپنی کے کاروبار کو مستحکم کرنے کے لئے اسٹاف کے معاوضہ میں اضافہ اور عملہ کی اضافی تعداد تھی۔ بلا واسطہ لاگت جو کہ بنیادی طور پر آپریٹنگ لیز کی لاگت پر مشتمل ہے، 49 فیصد کمی کے ساتھ 93 ملین روپے رہی ہیں (دسمبر 2017 میں 181.7 ملین روپے) جسکی وجہ آپریٹنگ لیز کے آمدنی میں کمی ہے۔

کمپنی تسلسل کے ساتھ زائد آمدنی قرضوں کی وصولی اور پورٹ فولیو کے معیار پر توجہ دے رہی ہے۔ اگرچہ کچھ شعبوں میں تناؤ کی کیفیت رہی لیکن انفیکشن کا مجموعی نرخ قابو میں رہا۔ اس مالی سال میں ایک نیا شمار باتی ماڈل لیز اور قرضہ جات پر پروویژن کے لئے اختیار کیا گیا۔ یہ ماڈل سائنسی بنیادوں پر کمپنی کی پروویژن کی ضرورت کا تعین کرتا ہے جبکہ متعلقہ فیصلوں پر انحصار کم کرتا ہے۔ اس کے ساتھ ساتھ NBFC ضابطوں کے تحت درکار پروویژن کو برقرار رکھا گیا اور تناؤ زدہ معاشی ماحول کے پیش نظر اضافی پروویژن بھی کیا گیا ہے۔ مجموعی طور پر 117.3 ملین روپے کا پروویژن اس مدت کے دوران معکوس کیا گیا جبکہ گزشتہ سال اسی مدت میں 2.5 ملین روپے کیا گیا تھا۔

اس مدت کے دوران ملحقہ کمپنیوں کے منافع میں ملنے والا حصہ 67 فیصد کمی کے ساتھ 27.4 ملین روپے رہا جو کہ گزشتہ سال اسی مدت میں 82.8 ملین روپے تھا۔ موجودہ مدت کی آمدنی میں صرف سعودی اور کس لیزنگ کمپنی (SOLC) کے منافع سے ملنے والا حصہ شامل ہے جبکہ گزشتہ مدت میں SOLC، اومان اور کس لیزنگ کمپنی (OOL) اور اور کس لیزنگ مصر (OLE) کا منافع شامل تھا۔ کمپنی نے OOL میں اپنی سرمایہ کاری مارچ 2018 میں فروخت کر دی جبکہ OLE کو جون 2018 میں "Held for Sale" قرار دے دیا گیا تھا۔ OLE کے بڑے حصص یافتہ الہیل ہولڈنگ ایل ایل سی (Al Hail) نے OLE کے سرمائے میں توسیع دینے کا منصوبہ بنایا ہے۔ اوایل پی کی رائے یہ ہے کہ مصر کے حالات اور OLE کی مالیاتی پوزیشن اس بات کی اجازت نہیں دیتی کہ کمپنی میں مزید سرمایہ کاری کی جائے، لہذا مورخہ 6 فروری 2019 کے اجلاس میں اوایل پی کے بورڈ نے OLE کے 23 فیصد حصص مجموعی قیمت فروخت 28.4 ملین آپریشن پاؤنڈ (تقریباً 221.4 ملین روپے) کے عوض Al Hail کو فروخت کرنے کی پیشکش کو قبول کرنے کا فیصلہ کیا ہے۔ سرمایہ کاری فروخت کرنے سے تقریباً 68.6 ملین روپے بعد از ٹیکس خسارہ ہوگا، تاہم اس میں کمی پیشی بھی ہو سکتی ہے کیونکہ اس کا انحصار سودے کی تکمیل کے وقت زرمبادلہ کے نرخ پر ہوگا۔ متوقع خسارہ کی بنیادی وجہ طویل مدتی سرمایہ کاری پر غیر حاصل شدہ زرمبادلہ کا نقصان ہے جس کی وجہ آپریشن پاؤنڈ کی قدر میں نومبر 2016 میں 48 فیصد کمی تھی۔

مالیاتی اور زر سے متعلق پالیسیوں کی عمومی سمت کارخبر آمدات، سرمایہ کاری اور پیداواریت کی نمو کی طرف کیا گیا ہے جس میں خاص طور پر زور کاروبار میں سہل و آسانی پر دیا گیا ہے۔ تاہم ان اقدامات کے مثبت نتائج آنے میں کچھ وقت لگے گا۔ اس پس منظر میں OLP سال کے بقایا حصے میں نئے کاروباری سودوں کو بہت باریک بینی اور محتاط انداز میں تشکیل دے گی۔

## گروپ کی کارکردگی

کمپنیز ایکٹ 2017 کی دفعہ 227 کی پاسداری کرتے ہوئے اختتام ششماہی رپورٹ میں اوایل پی اور اس کی ذیلی کمپنیوں (گروپ) بنام اور کس سروسز پاکستان (پرائیویٹ) لمیٹڈ اور اور کس مضاربہ کے عبوری اختصاری مالیاتی گوشوارے برائے ششماہی 31 دسمبر 2018 پیش کئے گئے ہیں۔

# ڈائریکٹرز کی جائزہ رپورٹ

برائے اختتامِ ششماہی 31 دسمبر 2018

اورکس لیزنگ پاکستان لمیٹڈ (او ایل پی/دی کمپنی) کے بورڈ آف ڈائریکٹرز بمسرت 31 دسمبر 2018 کو ختم ہونے والے ششماہی کے غیر آڈٹ شدہ مختصر عبوری مالیاتی نتائج پیش کرتے ہیں۔

موجودہ مالی سال کی پہلی ششماہی میں مارکیٹ میں غیر یقینی صورتحال اور کم معاشی سرگرمی رہی خاص طور پر نقل و حمل اور آٹوموبائل کے شعبوں میں جو کہ کم طلب اور ٹیکس ریٹرن کے نان فائلرز پر نئی گاڑیوں کی خریداری پر پابندی کی وجہ سے متاثر ہوئے۔ حکومت کی معاشی استحکام کی کوششوں کے نتائج آنے باقی ہیں کیونکہ بڑھتے ہوئے مالیاتی عدم توازن اور کرنٹ اکاؤنٹ کے خساروں کی وجہ سے دباؤ ابھی تک برقرار ہے۔ مالی سال 2019 میں GDP میں نمو متوقع طور پر 4 فیصد سے کم رہے گی جبکہ S&P نے ملکی ریٹنگ B سے B- کر دی ہے۔ جنوری 2018 سے پالیسی نرخوں میں مجموعی 4.5 فیصد اضافے اور یو ایس ڈالر کے مقابلے میں پاکستان روپے کی قدر میں 26 فیصد کمی سے مالیاتی سال کی بقایا مدت کے دوران کاروباری سرگرمیوں پر منفی اثرات جاری رہیں گے۔ پالیسی اقدامات کے درست مرکب، دو طرفہ اور کثیر الجہتی ذرائع سے مالیاتی حمایت کے سبب توقع ہے کہ ملک کے معاشی ماحول کو درمیانی سے طویل مدت کے دوران استحکام حاصل ہو جائے گا۔

## مالیاتی جھلکیاں اور کاروباری جائزہ

### اختتامِ ششماہی

2018 دسمبر	2017 دسمبر	روپے
719,763,979	541,515,171	قبل از محصول (ٹیکس) منافع
212,385,000	137,862,489	محصولات (ٹیکس)
507,378,979	403,652,682	خالص منافع بعد از ٹیکس (اس مدت کے لئے)
3.04	2.50	فی شیئر آمدنی - بنیادی اور صل شدہ
1,670,549,020	1,392,124,190	جاری کردہ، سبسکرائبڈ اور ادا شدہ سرمایہ (10 روپے فی شیئر)

بازار کے مشکل گزار حالات کے باوجود، او ایل پی کو ششماہی میں قبل از ٹیکس منافع 719.8 ملین روپے ہوا جو کہ گزشتہ سال اسی مدت کے 541.5 ملین روپے سے 33 فیصد زیادہ ہے۔ منافع بعد از ٹیکس 26 فیصد اضافہ کے ساتھ 507.4 ملین (دسمبر 2018 میں 403.7 ملین روپے) تک پہنچ گیا۔ مدت کی فی حصص آمدن 3.04 روپے رہی جو کہ دسمبر 2017 میں 2.50 روپے تھی۔

نئے کاروبار کے لئے کمپنی نے مختلط طریقہ کار اختیار کیا جس کی وجہ سے ادائیگیاں 23 فیصد کمی کے ساتھ 5.4 ملین روپے رہیں جبکہ گزشتہ مالیاتی سال 2018 کی اسی مدت میں 7 ملین روپے تھیں۔ جس کے نتیجے میں لیز اور قرضوں کا پورٹ فولیو جو کہ جون 2018 کو 23.1 ملین روپے تھا، 3 فیصد کمی کے ساتھ 31 دسمبر 2018 کو 22.3 ملین روپے رہ گیا۔ تاہم متعلقہ لیز اور قرضوں کی آمدنی زیادہ رہی جس کی وجہ پورٹ فولیو کی بازاری نرخوں کے مطابق از سر نو قیمت بندی تھی، لیز کی آمدنی 9 فیصد اضافہ کے ساتھ 1,339.8 ملین روپے (دسمبر 2017 میں 1,234.5 ملین روپے) اور قرضوں کی آمدنی 26 فیصد اضافہ کے ساتھ 373.9 ملین روپے (دسمبر 2017 میں 297.9 ملین روپے) ہو گئی۔

# Geographical Presence

## 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: 021-35303571

## Head Office

ORIX Building, Plot No. 16, Sector No. 24,  
Korangi Industrial Area, Karachi  
Tel: 021- 3514 4029-40  
Fax: 021-35144002, 35144020  
UAN: 111 24 24 24  
Email: [olp@orixpakistan.com](mailto:olp@orixpakistan.com)  
Website: [www.orixpakistan.com](http://www.orixpakistan.com)

## Karachi

Plot # 151-A, Shop No. 9 & 10,  
Datari Arcade, P.E.C.H.S, Block-2, Karachi  
Tel: 021-35143752-5

## Lahore

76-B, E-1, Main Boulevard,  
Gulberg III, Lahore.  
Tel: 042-35782586-93  
Fax: 042-5790488  
UAN: 111 24 24 24

## Thokar Niaz Baig

1st floor, 55th Avenue,  
Lalazar Commercial Market, Raiwind Road,  
Thokar Niaz Baig, Lahore  
Tel: 042-35963581-84

## Islamabad

Ground Floor, State Life Building No. 5,  
Nizamuddin Road, Blue Area, Islamabad  
Tel: 051-2822800-2, 2821706, 2821748  
Fax: 051-2821917  
UAN- 111 24 24 24

## Rawalpindi

146-B Satellite Town, Chandni Chowk,  
Murree Road, Rawalpindi  
Tel: 051-4571431-3, 4571442-3  
Fax: 051-4571445

## Chakwal

Ground Floor, Opposite Sadar Police Station  
Talagang Road Chakwal  
Tel :0543-543523-4, 602049  
Fax: 0543-602048

## Mirpur A.K.

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

## Taxila

1st Floor, Raja Business Tower,  
Plot No. 1023/1028, Taxila Cantt  
Main G.T Road, Taxila  
Tel: 051-4254473, 4254475, 4254476

## Faisalabad

3rd Floor, Sitara Towers, Bilal Chowk,  
Civil Lines, Faisalabad  
Tel: 041-2633926, 2633811-3  
Fax: 041-2633927  
UAN: 111 24 24 24

## Sargodha

A.R. Tower, Adjacent Q S International Hotel  
University Road, Sargodha  
Tel: 048-3729521, 3740091  
Fax: 048-3729522

## Sahiwal

Five Ways Chowk, Stadium Road,  
Sahiwal  
Tel: 040-4227613-4  
Fax: 040-4227615

## Jhang

Church Road, Near Government  
Girls College Chowk, Jhang  
Tel: 047-7650421-2  
Fax: 047-7650423

## Multan

Plot # 116, Pull Moj Darga LMQ Road,  
Multan  
Tel: 061- 4518431-3, 4518435-6  
Fax: 061- 4580321  
UAN: 111 24 24 24

## Rahim Yar Khan

20-21, Ground Floor, City Centre Plaza,  
Shahi Road, Rahim Yar Khan.  
Tel: 068- 5888565, 5887617-8  
Fax: 068-5887610

## Bahawalpur

Ground Floor, Near Cantonment Office Board  
Ahmed Pur East Road, Bahawalpur  
Tel: 062-9255382, 9255494  
Fax : 062-2886273

## Vehari

137, Block-D, Vehari  
Tel: 067-3360350 - 3

## Sialkot

1st Floor, Ghoolam Kadir Arcade,  
Aziz Shaheed Road, Sialkot Cantt.  
Tel: 052-4260616, 4260877  
Fax: 052-4269548  
UAN: 111 24 24 24

## 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

## Peshawar

Ground Floor, State Life Building  
The Mall, Peshawar  
Tel: 091- 5278647, 5279789, 5285541, 5285520  
Fax: 091-5273389,  
UAN: 111 24 24 24

## Abbottabad

Yousaf Jamal Plaza, Near HBL  
Mansehra Road, Abbottabad.  
Tel: 0992-343888, 343188  
Fax: 0992-405856

## Mingora

1st Floor, Shahzad Plaza, Makan Bagh,  
Saidu Road, Mingora Swat  
Tel: 0946 -722620  
Fax: 0946 -722621

## Kohat

Ground Floor, Saad Ullah Shah Market,  
Near Kachehri Chowk, Kohat City  
Tel: 0922- 512564-5

## Hyderabad

1st Floor, State Life Building,  
Thandi Sarak, Hyderabad.  
Tel: 022-2784143, 2720397  
Fax: 022-2785388

## Sukkur

Shop No. S-33 & 34, New City Banglows,  
Shikarpur Road, Sukkur  
Tel: 071-5807031-32

## Micro Finance Division

### Kot Abdul Malik

11 K.M Lahore, Near Askari Bank,  
Kot Abdul Malik, Distt. Sheikhpura  
Tel: 042-37340711

### Jallo Morre

Sooter Mill Stop, Near Karachi Hot & Spicy  
Restaurant, Batapur Lahore  
Tel: 042-36522931

### Sharaqpur Sharif

Main Lahore Jaranwala Road, Opposite  
Government Pilot High School Sharaqpur Sharif,  
District Sheikhpura  
Tel: 056-2590021

### Morre Khunda

Opposite Rice Mill, Main Jarranwala Road,  
Morre Khunda, District Nankana Sahib  
Tel: 056-2442371, 0333-0422371

### Pattoki

Faisal Colony Road, Near Raffay Sajid Hospital  
Pattoki  
Tel: 049-4422064

### Chunian

Purana Kharkhana, Allahbad Road, Near  
Dare Akram School, Chunian, District Kasur.  
Tel: 049-3410054, 0300-4185685

### Renala Khurd

Near Dogar Petrol Pump Raay Town,  
Renala Khurd, Distt. Okara  
Tel: 044-2635185

### Manga Mandi

Main Multan Road, Madina Market, Kalma  
Chowk,  
Manga Mandi  
Tel: 042-35383864

### Bhalwal

1st Floor, Rehmat Plaza, Mandir Road,  
Block No. 3, Bhalwal. District Sargodha  
Tel: 048-6644448

### Sahiwal

Main Circular Road, Opposite Kashmiri  
Gate Tehsil Sahiwal District, Sargodha  
Tel: 048-6785505

### Sillanwali

Chaudhary Akhter Market, 46 Adda Road,  
Sillanwali, District Sargodha  
Tel: 048-6532666

### Shahpur

Khushab Road Shahpur Saddar  
Near Bismillah Hotel, District Sargodha  
Tel: 048-6310424

**AA+**  
Long Term

Entity Rating by: PACRA  
August 16, 2018

**A1+**  
Short Term



**Answers, Custom Fit.**



**ORIX Leasing Pakistan Limited**  
Islamic Chamber of Commerce Building,  
Ground Floor, ST-2/A, Block 9,  
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