

**CONDENSED INTERIM  
FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED  
SEPTEMBER 30, 2013  
(UN-AUDITED)**

**SFL LIMITED**

# CONTENTS

## **Un-Consolidated**

COMPANY PROFILE	03
DIRECTORS' REPORT	04
BALANCE SHEET	05
PROFIT & LOSS ACCOUNT	06
CASH FLOW STATEMENT	07
STATEMENT OF CHANGES IN EQUITY	08
NOTES TO THE FINANCIAL STATEMENTS	09

## **Consolidated**

DIRECTORS' REPORT	13
BALANCE SHEET	14
PROFIT & LOSS ACCOUNT	15
STATEMENT OF COMPREHENSIVE INCOME	16
CASH FLOW STATEMENT	17
STATEMENT OF CHANGES IN EQUITY	18
NOTES TO THE FINANCIAL STATEMENTS	19

## **CORPORATE INFORMATION**

---

### **BOARD OF DIRECTORS**

**CHAIRMAN** : MR. MOHAMMAD ABDULLAH

**CHIEF EXECUTIVE** : MR. SHAHID ABDULLAH

**DIRECTOR** : MR. NADEEM ABDULLAH  
MR. AMER ABDULLAH  
MR. YOUSUF ABDULLAH  
MR. MOHAMMAD YAMIN  
MR. MAZHAR SALEEM

### **AUDIT COMMITTEE**

**CHAIRMAN** : MR. NADEEM ABDULLAH

**MEMBER** : MR. AMER ABDULLAH

**MEMBER** : MR. MAZHAR SALEEM

### **HUMAN RESOURCE & REMUNERATION COMMITTEE**

**CHAIRMAN** : MR. YOUSUF ABDULLAH

**MEMBER** : MR. MAZHAR SALEEM

**MEMBER** : MR. MOHAMMAD YAMIN

**CHIEF FINANCIAL OFFICER** : MR. MUJAHID AKBER BOZDAR

**SECRETARY** : MR. SHAUKAT MAHMUD

**AUDITORS** : HAMEED CHAUDHRI & COMPANY  
CHARTERED ACCOUNTANTS

**TAX CONSULTANTS** : MUSHTAQ & COMPANY  
CHARTERED ACCOUNTANTS

**LEGAL ADVISOR** : MR. SALEEM IKRAM

**BANKERS** : HABIB BANK LIMITED

**REGISTERED OFFICE** : 316, COTTON EXCHANGE BUILDING,  
I. I. CHUNDRIGAR ROAD,  
KARACHI.

**SHARE REGISTRARS** : THK ASSOCIATES (PVT) LTD,  
GROUND FLOOR, STATE LIFE  
BUILDING-3, DR. ZIAUDDIN AHMED  
ROAD, KARACHI.

## **DIRECTORS REPORT TO THE SHAREHOLDERS**

---

The Board of Directors of SFL Limited has pleasure in presenting their report together with un-audited financial statements of SFL Limited for the quarter ended September 30, 2013.

### **OPERATIONS**

During the quarter fair value of investments increased by Rs. 424,519. After netting administrative expenses of Rs.317,448 net profits come to Rs.107,071 for the quarter.

### **FUTURE OUTLOOK**

The assets of the company are investments in the shares of associated companies and investment in Funds. Profitability of the company depends during the next quarter on the return on investments.

**On behalf of the Board**

**Shahid Abdullah**  
(Chief Executive)

Karachi  
30<sup>th</sup> October, 2013

## CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2013

	Note	Un-audited September 2013 Rupees	Audited June 2013 Rupees
<b>ASSETS</b>			
<b>Non current assets</b>			
Long term investments	5	366,255,000	366,255,000
Long term deposit		37,500	37,500
		366,292,500	366,292,500
<b>Current assets</b>			
Short term investments	6	23,176,956	22,752,437
Cash and bank balances		1,208,261	2,018,019
		24,385,217	24,770,456
<b>Total assets</b>		390,677,717	391,062,956
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital		200,914,500	200,914,500
Reserves		165,340,500	165,340,500
Unappropriated profit		24,091,060	23,983,989
<b>Total equity</b>		390,346,060	390,238,989
<b>Current liabilities</b>			
Accrued and other liabilities		279,400	771,710
Taxation - net		52,257	52,257
<b>Total liabilities</b>		331,657	823,967
<b>Contingencies and commitments</b>	7		
<b>Total equity and liabilities</b>		390,677,717	391,062,956

The annexed notes 1 to 10 form an integral part of these financial statements.

Chief Executive

Director

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED SEPTEMBER 30, 2013

	Note	Un-Audited September 2013 Rupees	Un-Audited September 2012 Rupees
<b>Revenue</b>			
Interest on treasury bills		-	182,757
Change in fair value of investments at fair value through profit or loss		424,519	-
		424,519	182,757
<b>Administrative expenses</b>		(317,448)	(299,828)
<b>Profit / (loss) before taxation</b>		107,071	(117,071)
Taxation		-	-
<b>Profit / (loss) after taxation</b>		107,071	(117,071)
Other comprehensive income		-	-
<b>Total Comprehensive income/(loss)</b>		107,071	(117,071)
<b>Earnings/(loss) per share</b> - basic and diluted		0.005	(0.006)

The annexed notes 1 to 10 form an integral part of these financial statements.

Chief Executive

Director

## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2013

	Un-Audited September 2013 Rupees	Un-Audited September 2012 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	107,071	(117,071)
<b>Adjustments for non-cash items:</b>		
Interest income	-	(182,757)
Change in fair value of investments at fair value through profit or loss	(424,519)	-
<b>Operating loss before working capital changes</b>	<b>(317,448)</b>	<b>(299,828)</b>
<b>Working capital changes</b>		
Increase / (decrease) in accrued and other liabilities	(492,310)	(20,331)
<b>Net cash used in operating activities</b>	<b>(809,758)</b>	<b>(320,159)</b>
Taxes paid	-	-
<b>Net cash used in operating activities</b>	<b>(809,758)</b>	<b>(320,159)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(809,758)</b>	<b>(320,159)</b>
<b>Cash and cash equivalents - at beginning of the period</b>	<b>2,018,019</b>	<b>1,955,258</b>
<b>Cash and cash equivalents - at end of the period</b>	<b>1,208,261</b>	<b>1,635,099</b>

The annexed notes 1 to 10 form an integral part of these financial statements.

Chief Executive

Director

## CONDENSED INTERIM CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2013

	Share capital	RESERVES		Total equity
		Reserve arising at de-merger	(Accumulated loss) / Unappropriated profit	
Rupees				
<b>Balance as at July 01, 2012 (Audited)</b>	200,914,500	165,340,500	8,436,759	374,691,759
Total comprehensive loss for the quarter ended September 30, 2012	-	-	(117,071)	(117,071)
<b>Balance as at September 30, 2012 (Un-audited)</b>	<u>200,914,500</u>	<u>165,340,500</u>	<u>8,319,688</u>	<u>374,574,688</u>
<b>Balance as at July 01, 2013 (Audited)</b>	<b>200,914,500</b>	<b>165,340,500</b>	<b>23,983,989</b>	<b>390,238,989</b>
Total comprehensive income for the quarter ended September 30, 2013	-	-	107,071	107,071
<b>Balance as at September 30, 2013 (Un-audited)</b>	<u><b>200,914,500</b></u>	<u><b>165,340,500</b></u>	<u><b>24,091,060</b></u>	<u><b>390,346,060</b></u>

The annexed notes 1 to 10 from an integral part of these financial statements

Chief Executive

Director



---

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

---

**1. THE COMPANY AND ITS OPERATIONS**

SFL Limited was incorporated as public limited company on April 26, 2010 and its shares has been listed on Karachi Stock Exchange Limited with effect from January 7, 2013. The registered office of the Company is located at 316 - Cotton Exchange Building, I.I. Chundrigar Road, Karachi. The main business of the Company is to invest in the shares of Associated Companies and other business as per the Memorandum of Association of the Company.

**2. BASIS OF PREPARATION**

This condensed interim financial information of the company for the quarter ended September 30, 2013 has been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" and provision of and directive issued under the Companies Ordinance, 1984. In case where requirements differ, the provision of and directive issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information of the company does not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the company as at and for the year ended June 30, 2013.

**3. ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of this condensed interim financial information are same as those applied in the preparation of preceding audited annual financial statements of the company for the year ended June 30, 2013.

**4. ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the company accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates. During the preparation of this condensed interim financial information, the significant judgements made by the management in applying the company accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the audited annual financial statements for the year ended June 30, 2013.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2013

5. LONG TERM INVESTMENTS		Un-audited September 31, 2013 Rupees	Audited June 30, 2013 Rupees
Subsidiary Company - at cost	5.1	100,000	100,000
Associated Companies - at cost	5.2	<u>366,155,000</u>	<u>366,155,000</u>
		<u><b>366,255,000</b></u>	<u><b>366,255,000</b></u>
<b>5.1 SFL Corporation (Private) Limited</b>		<u><b>100,000</b></u>	<u><b>100,000</b></u>
1000 (June 30, 2013: 1000) fully paid ordinary shares of Rs.100 each			
<b>5.2 Associated Companies - unquoted</b>			
<b>Sapphire Finishing Mills Limited</b>			
25,809,000 (June 30, 2013: 25,809,000) ordinary shares of Rs.10 each - <b>cost</b>			
		258,090,000	258,090,000
Equity held: 28.05% (June 30, 2013: 28.05%)			
<b>Sapphire Dairies (Private) Limited</b>			
7,000,000 (June 30, 2013: 7,000,000) ordinary shares of Rs.10 each - <b>cost</b>			
		70,000,000	70,000,000
Equity held: 6.67% (June 30, 2013: 6.67%)			
<b>Diamond Fabrics Limited</b>			
4,569,000 (June 30, 2013: 4,569,000) ordinary shares of Rs.10 each - <b>cost</b>			
		33,368,238	33,368,238
Equity held: 30.69% (June 30, 2013: 30.69%)			
<b>Amer Cotton Mills (Private) Limited</b>			
336,000 (June 30, 2013: 336,000) ordinary shares of Rs.10 each - <b>cost</b>			
		549,305	549,305
Equity held: 8.40% (June 30, 2013: 8.40%)			
<b>Amer Tex (Private) Limited</b>			
790,428 (June 30, 2013: 790,428) ordinary shares of Rs.10 each - <b>cost</b>			
		4,147,457	4,147,457
Equity held: 14.41% (June 30, 2013: 14.41%)			
		<u>366,155,000</u>	<u>366,155,000</u>
		<u><b>366,155,000</b></u>	<u><b>366,155,000</b></u>
<b>6. SHORT TERM INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Pakistan Cash Management Fund			
		7,276,589	7,136,478
145,420.3922 (June 30, 2013: 141,411.8902)			
UBL Liquidity Plus Fund			
		15,900,367	15,615,959
158,371.9229 (June 30, 2013: 156,040.8414 )			
		<u>23,176,956</u>	<u>22,752,437</u>
		<u><b>23,176,956</b></u>	<u><b>22,752,437</b></u>

---

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

---

**7. CONTINGENCIES AND COMMITMENTS**

There is no change in status of the contingencies as disclosed in note no.9.1 of the Audited Financial Statement of the company for the year ended June 30, 2013.

**7.1** There was no capital commitment as at September 30, 2013 and June 30, 2013.

**8. FINANCIAL RISK MANAGEMENT**

The activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial information does not include all financial risk management information and disclosures required in the audited annual financial statements and should be read in conjunction with the Company's audited annual financial statement as at June 30, 2013.

There have been no changes in the risk management policies since the year end.

**9. TRANSACTION WITH RELATED PARTIES**

There was no transaction with related parties during the quarter ended September 30, 2013.

**10. GENERAL**

**10.1** Figures have been rounded off to the nearest rupee except stated otherwise.

**10.2** This condensed interim financial information has been authorized for issue by the Board of Directors of the Company on October 30, 2013.

**Chief Executive**

**Director**



## **DIRECTORS REPORT TO THE SHAREHOLDERS**

---

The Directors of the Holding Company of **SFL Corporation (Private) Limited** are pleased to place before you the Directors' report together with un-audited consolidated financial statements of SFL Limited and its subsidiary SFL Corporation (Private) Limited for the quarter ended September 30, 2013.

SFL Corporation (Private) Limited was incorporated for purpose given in the object clause of the Memorandum of Association which includes purchase and holding shares in other company having object altogether or in part similar to those of this company. The company has not carried out any operational activity since its incorporation.

On behalf of the Board

**Shahid Abdullah**  
(Chief Executive)

Karachi  
30<sup>th</sup> October, 2013

## CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2013

	Note	Un-audited September 2013 Rupees	Audited June 2013 Rupees
<b>ASSETS</b>			
<b>Non current assets</b>			
Long term investments	5	2,454,088,779	2,296,086,477
Long term deposit		37,500	37,500
		<u>2,454,126,279</u>	<u>2,296,123,977</u>
<b>Current assets</b>			
Short term investments	6	23,176,956	22,752,437
Cash and bank balances		1,301,961	2,111,719
		<u>24,478,917</u>	<u>24,864,156</u>
<b>Total assets</b>		<u><u>2,478,605,196</u></u>	<u><u>2,320,988,133</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital		200,914,500	200,914,500
Reserves		168,795,206	169,241,877
Unappropriated profit		2,108,508,833	1,949,952,789
<b>Total equity</b>		<u>2,478,218,539</u>	<u>2,320,109,166</u>
<b>Current liabilities</b>			
Accrued and other liabilities		334,400	826,710
Taxation - net		52,257	52,257
<b>Total liabilities</b>		<u>386,657</u>	<u>878,967</u>
<b>Contingencies and commitments</b>	7		
<b>Total equity and liabilities</b>		<u><u>2,478,605,196</u></u>	<u><u>2,320,988,133</u></u>

The annexed notes 1 to 10 form an integral part of these financial statements.

Chief Executive

Director

---

**CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

---

	<b>Note</b>	<b>Un-Audited September 2013 Rupees</b>	<b>Un-Audited September 2012 Rupees</b>
<b>Revenue</b>			
Interest on treasury bills		-	182,757
Change in fair value of investments at fair value through profit or loss		<b>424,519</b>	-
		<b>424,519</b>	182,757
<b>Administrative expenses</b>		<b>(317,448)</b>	(299,828)
<b>Profit/(loss) from operation</b>		<b>107,071</b>	(117,071)
Share of profit of Associated Companies		<b>151,222,468</b>	73,272,241
<b>Profit before taxation</b>		<b>151,329,539</b>	73,155,170
Taxation		-	-
<b>Profit after taxation</b>		<b>151,329,539</b>	73,155,170
<b>Earnings per share</b> - basic and diluted		<b>7.53</b>	3.64

The annexed notes 1 to 10 form an integral part of these financial statements.

Chief Executive

Director

---

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

---

	<b>September 30, 2013 Rupees</b>	<b>September 30, 2012 Rupees</b>
<b>Profit after taxation</b>	<b>151,329,539</b>	73,155,170
<b>Other comprehensive income:</b>		
Share of unrealized (loss) / gain on available for sale investments of Associated Companies	<b>(554,527)</b>	1,232,431
Share of unrealized gain / (loss) on hedging instruments of Associated Companies	<b>107,856</b>	(245,770)
	<b>(446,671)</b>	986,661
<b>Total comprehensive income for the period</b>	<b>150,882,868</b>	74,141,831

The annexed notes 1 to 10 form an integral part of these financial statements.

**Chief Executive**

**Director**



## CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2013

	September 30, 2013 Rupees	September 30, 2012 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	151,329,539	73,155,170
<b>Adjustments for non-cash items:</b>		
Interest income	-	(182,757)
Change in fair value of investments at fair value through profit or loss	(424,519)	-
Share of profit of Associated Companies	(151,222,468)	(73,272,241)
<b>Operating loss before working capital changes</b>	<b>(317,448)</b>	<b>(299,828)</b>
<b>Working capital changes</b>		
Decrease in accrued and other liabilities	(492,310)	(20,331)
<b>Net cash used in operating activities</b>	<b>(809,758)</b>	<b>(320,159)</b>
Taxes paid	-	-
<b>Net cash used in operating activities</b>	<b>(809,758)</b>	<b>(320,159)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(809,758)</b>	<b>(320,159)</b>
<b>Cash and cash equivalents - at beginning of the period</b>	<b>2,111,719</b>	<b>2,051,958</b>
<b>Cash and cash equivalents - at end of the period</b>	<b>1,301,961</b>	<b>1,731,799</b>

The annexed notes 1 to 10 form an integral part of these financial statements.

Chief Executive

Director

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2013

	Reserves				Sub-total	Unappropriated profit	Total
	Share capital	Reserve arisen upon de-merger	Share of unrealised gain / (loss) on available for sale investments of Associated Companies	Share of unrealised gain / (loss) on hedging instruments of Associated Companies			
----- Rupees -----							
<b>Balance as at July 1, 2012 (Audited)</b>	<b>200,914,500</b>	<b>165,340,500</b>	<b>1,876,149</b>	<b>930,339</b>	<b>168,146,988</b>	<b>1,547,823,642</b>	<b>1,916,885,130</b>
<b>Total comprehensive income for the quarter ended September 30, 2012</b>							
Profit after taxation	-	-	-	-	-	73,155,170	73,155,170
Other comprehensive income	-	-	1,232,431	(245,770)	986,661	-	986,661
	-	-	1,232,431	(245,770)	986,661	73,155,170	74,141,831
Effect of items directly recorded in equity of Associated Companies	-	-	-	-	-	39,355,545	39,355,545
<b>Balance as at September 30, 2012 (Un-audited)</b>	<b>200,914,500</b>	<b>165,340,500</b>	<b>3,108,580</b>	<b>684,569</b>	<b>169,133,649</b>	<b>1,660,334,357</b>	<b>2,030,382,506</b>
<b>Balance as at July 01, 2013 (Audited)</b>	<b>200,914,500</b>	<b>165,340,500</b>	<b>3,695,691</b>	<b>205,686</b>	<b>169,241,877</b>	<b>1,949,952,789</b>	<b>2,320,109,166</b>
<b>Total comprehensive income for the quarter ended September 30, 2013</b>							
Profit after taxation	-	-	-	-	-	151,329,539	151,329,539
Other comprehensive loss	-	-	(554,527)	107,856	(446,671)	-	(446,671)
	-	-	(554,527)	107,856	(446,671)	151,329,539	150,882,868
Effect of items directly recorded in equity of Associated Companies	-	-	-	-	-	7,226,505	7,226,505
<b>Balance as at September 30, 2013 (Un-audited)</b>	<b>200,914,500</b>	<b>165,340,500</b>	<b>3,141,164</b>	<b>313,542</b>	<b>168,795,206</b>	<b>2,108,508,833</b>	<b>2,478,218,539</b>

The annexed notes 1 to 10 form an integral part of these financial statements.

**Chief Executive**

**Director**

---

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

---

**1. THE GROUP AND ITS OPERATIONS**

The Group consists of SFL Limited (the Parent Company) and its wholly owned Subsidiary Company - SFL Corporation (Private) Limited.

SFL Limited (the Parent Company) was incorporated as public limited company on April 26, 2010 and its shares has been listed on Karachi Stock Exchange Limited with effect from January 7, 2013. The registered office of the Company is located at 316 - Cotton Exchange Building, I.I. Chundrigar Road, Karachi. The main business of the Company is to invest in the shares of Associated Companies and other business as per the Memorandum of Association of the Parent Company.

SFL Corporation (Private) Limited (the Subsidiary Company) was incorporated in Pakistan on October 4, 2011 as private limited company. The registered office of the Subsidiary Company is located at 307 - Cotton Exchange Building, I. I. Chundrigar Road, Karachi. The Main business of the Subsidiary Company is to invest in the shares and other business activities as per Memorandum of Association of the Subsidiary Company.

**2. BASIS OF PREPARATION**

This condensed interim consolidated financial information of the Group for the quarter ended September 30, 2013 has been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" and provision of and directive issued under the Companies Ordinance, 1984. In case where requirements differ, the provision of and directive issued under the Companies Ordinance, 1984 have been followed.

This condensed interim consolidated financial information of the Group does not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Group as at and for the year ended June 30, 2013.

**3. ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of this condensed interim consolidated financial information are same as those applied in the preparation of preceding audited annual consolidated financial statements of the Group for the year ended June 30, 2013.

**4. ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of this condensed interim consolidated financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.

During the preparation of this condensed interim consolidated financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the audited annual consolidated financial statements for the year ended June 30, 2013.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

5. LONG TERM INVESTMENTS - Equity method	Un-audited Sep 31, 2013 Rupees	Audited June 30, 2013 Rupees
<b>Associated Companies - unquoted</b>		
<b>Sapphire Finishing Mills Limited</b>		
25,809,000 (June 30, 2013: 25,809,000) ordinary shares of Rs.10 each - <b>cost</b>	258,090,000	258,090,000
Equity held: 28.05% (June 30, 2013: 28.05%)		
Add: share of post acquisition profit	480,071,963	424,765,973
Less: dividend received during the period / year	-	(12,904,500)
	738,161,963	669,951,473
<b>Sapphire Dairies (Private) Limited</b>		
7,000,000 (June 30, 2013: 7,000,000) ordinary shares of Rs.10 each - <b>cost</b>	70,000,000	70,000,000
Equity held: 6.67% (June 30, 2013: 6.67%)		
Add: share of post acquisition profit	(955,692)	1,101,709
	69,044,308	71,101,709
<b>Diamond Fabrics Limited</b>		
4,569,000 (June 30, 2013: 4,569,000) ordinary shares of Rs.10 each - <b>cost</b>	33,368,238	33,368,238
Equity held: 30.69% (June 30, 2013: 30.69%)		
Add: share of post acquisition profit	1,231,793,012	1,160,912,553
Less: dividend received during the period / year	-	(4,569,000)
	1,265,161,250	1,189,711,791
<b>Amer Cotton Mills (Private) Limited</b>		
336,000 (June 30, 2013: 336,000) ordinary shares of Rs.10 each - <b>cost</b>	549,305	549,305
Equity held: 8.40% (June 30, 2013: 8.40%)		
Add: share of post acquisition profit	271,801,123	263,028,801
	272,350,428	263,578,106
<b>Amer Tex (Private) Limited</b>		
790,428 (June 30, 2013: 790,428) ordinary shares of Rs.10 each - <b>cost</b>	63,774,203	63,774,203
Equity held: 14.41% (June 30, 2013: 14.41%)		
Add: share of post acquisition profit	45,596,627	37,969,195
	109,370,830	101,743,398
	2,454,088,779	2,296,086,477

---

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2013**


---

<b>6. SHORT TERM INVESTMENTS</b>	<b>Note</b>	<b>Un-audited September 30, 2013 Rupees</b>	<b>Audited June 30, 2013 Rupees</b>
<b>At fair value through profit or loss</b>			
Pakistan Cash Management Fund			
145,420.3922 (June 30, 2013: 141,411.8902)		<b>7,276,589</b>	7,136,478
UBL Liquidity Plus Fund			
158,371.9229 (June 30, 2013:156,040.8414)		<b>15,900,367</b>	15,615,959
		<b>23,176,956</b>	<b>22,752,437</b>

**7. CONTINGENCIES AND COMMITMENTS**

There is no change in status of the contingencies as disclosed in note no.9.1 of the Audited Financial statement of the company for the year ended June 30, 2013.

7.1 There was no capital commitment as at September 30, 2013 and June 30, 2013.

**8. FINANCIAL RISK MANAGEMENT**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim consolidated financial information does not include all financial risk management information and disclosures required in the audited annual consolidated financial statements and should be read in conjunction with the Company's audited annual consolidated financial statement as at June 30, 2013.

There have been no changes in the risk management policies since the year end.

**9. TRANSACTION WITH RELATED PARTIES**

There was no transaction with related parties during the quarter ended September 30, 2013.

**10. GENERAL**

10.1 Figures have been rounded off to the nearest rupee except stated otherwise.

10.2 This condensed interim consolidated financial information has been authorized for issue by the Board of Directors of the Parent Company on October 30, 2013.

**Chief Executive**

**Director**

# **BOOK POST**

Under Certificate of Posting

If undelivered please return to:

**SFL LIMITED**

212, Cotton Exchange Building,  
I.I.Chundrigar Road,  
Karachi.