

**CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
DECEMBER 31, 2013
(REVIEWED)**

SFL LIMITED

SFL LIMITED

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Un-Consolidated

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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

DIRECTORS' REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors of SFL Limited, it is my pleasure to present directors' report together with un-audited financial statements of SFL Limited for the half year ended December 31, 2013 duly review by the external auditors, who have issued a Review Report, which is annexed to the financial statements.

OPERATIONS

During the half year under consideration, the company earned dividend income of Rs.69,839,550, and fair value of investments in funds increased to Rs.447,732. After meeting administrative expenses of Rs.463,596 and provision for taxation of Rs.6,983,955 net profits after tax comes to Rs.62,839,731.

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

Karachi.
February 27, 2014

MOHAMMAD ABDULLAH
CHAIRMAN

**AUDITORS' REPORT TO THE MEMBERS
ON REVIEW OF INTERIM FINANCIAL INFORMATION**

Introduction

We have reviewed the accompanying condensed interim balance sheet of **SFL Limited** as at December 31, 2013 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarter ended December 31, 2013 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2013.

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 information 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 condensed interim financial information as of and for the half year ended December 31, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Karachi :
Date : February 27, 2014

HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS
Engagement Partner:
Muhammad Ali

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2013

	Note	Un-audited December 31, 2013 Rupees	Audited June 30, 2013 Rupees
ASSETS			
Non-current assets			
Long term investments	5	366,255,000	366,255,000
Long term deposit		37,500	37,500
		366,292,500	366,292,500
Current assets			
Short term investments	6	23,624,688	22,752,437
Cash and bank balances		43,422,969	2,018,019
		67,047,657	24,770,456
Total assets		433,340,157	391,062,956
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital 20,200,000 (June 30, 2013: 20,200,000) ordinary shares of Rs.10 each		202,000,000	202,000,000
Issued, subscribed and paid-up capital 20,091,450 (June 30, 2013: 20,091,450) ordinary shares of Rs.10 each		200,914,500	200,914,500
Reserve arisen upon de-merger		165,340,500	165,340,500
Unappropriated profit		66,839,341	23,983,989
		433,094,341	390,238,989
Current liabilities			
Accrued and other liabilities		245,816	771,710
Taxation		-	52,257
		245,816	823,967
Contingencies and commitments	7		
Total equity and liabilities		433,340,157	391,062,956

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

Director

Director

The Chief Executive is out of Pakistan and in his absence this condensed interim financial information has been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED DECEMBER 31, 2013

	Quarter ended		Half year ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
----- (Rupees) -----				
Revenue				
Dividend income	69,839,550	17,473,500	69,839,550	17,473,500
Interest on treasury bills	-	97,211	-	279,968
Change in fair value of investments at fair value through profit or loss	447,732	-	872,251	-
	<u>70,287,282</u>	<u>17,570,711</u>	<u>70,711,801</u>	<u>17,753,468</u>
Administrative expenses	463,596	261,155	781,044	598,483
Profit before taxation	69,823,686	17,309,556	69,930,757	17,154,985
Taxation	6,983,955	1,815,987	6,983,955	1,815,987
Profit after taxation	62,839,731	15,493,569	62,946,802	15,338,998
Other comprehensive income	-	-	-	-
Total comprehensive income	62,839,731	15,493,569	62,946,802	15,338,998
Earnings per share - basic and diluted	3.13	0.77	3.13	0.76

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

Director

Director

The Chief Executive is out of Pakistan and in his absence this condensed interim financial information has been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2013

	Half year ended	
	December 31, 2013 Rupees	December 31, 2012 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	69,930,757	17,154,985
Adjustments for non-cash charges:		
Interest on treasury bills	-	(279,968)
Change in fair value of investment at fair value through profit or loss	(872,251)	74,031
	69,058,506	16,949,048
Working capital changes		
Decrease in accrued and other liabilities	(610,110)	(54,983)
Cash generated from operating activities	68,448,396	16,894,065
Taxes paid	(7,036,213)	(1,815,987)
Long term deposit paid	-	(37,500)
Net cash generated from operating activities	61,412,183	15,040,578
CASH FLOWS FROM INVESTING ACTIVITIES		
Short term investments - net	-	(15,301,928)
Interest received	-	371,928
Net cash used in investing activities	-	(14,930,000)
NET CASH USED IN FINANCING ACTIVITIES		
Dividend paid	(20,007,234)	-
Net increase in cash and cash equivalents	41,404,949	110,578
Cash and cash equivalents - at beginning of the period	2,018,019	1,955,258
Cash and cash equivalents - at end of the period	43,422,968	2,065,836

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

Director

Director

The Chief Executive is out of Pakistan and in his absence this condensed interim financial information has been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.

CONDENSED INTERIM CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2013

	Issued, subscribed and paid-up capital	Reserve arisen upon de-merger	Unappro- priated profit	Total
----- Rupees -----				
Balance as at July 1, 2012	200,914,500	165,340,500	8,436,759	374,691,759
Profit for the half year ended December 31, 2012	-	-	15,338,998	15,338,998
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	15,338,998	15,338,998
Balance as at December 31, 2012	200,914,500	165,340,500	23,775,757	390,030,757
Balance as at July 1, 2013	200,914,500	165,340,500	23,983,989	390,238,989
Transaction with owners				
Cash dividend for the year ended June 30, 2013 at the rate of Re.1 per share	-	-	(20,091,450)	(20,091,450)
Profit for the half year ended December 31, 2013	-	-	62,946,802	62,946,802
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	62,946,802	62,946,802
Balance as at December 31, 2013	200,914,500	165,340,500	66,839,341	433,094,341

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

Director

Director

The Chief Executive is out of Pakistan and in his absence this condensed interim financial information has been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2013

1. THE COMPANY AND ITS OPERATIONS

SFL Limited (the Company) was incorporated as public limited company on April 26, 2010 and its shares have been listed on Karachi Stock Exchange Limited. 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 is un-audited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984. It has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The figures for the half year ended December 31, 2013 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the audited annual financial statements for the year ended June 30, 2013.

3. ACCOUNTING POLICIES

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

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of 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's 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.

In preparing this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the audited annual financial statements for the year ended June 30, 2013.

5. LONG TERM INVESTMENTS - at cost

	Un-audited December 31, 2013 Rupees	Audited June 30, 2013 Rupees
Investments in ordinary shares of		
- Subsidiary Company	100,000	100,000
- Associated Companies	366,155,000	366,155,000
	366,255,000	366,255,000

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2013

6. SHORT TERM INVESTMENTS	Un-audited	Audited
- At fair value through profit or loss	December 31,	June 30,
	2013	2013
	Rupees	Rupees
Investments in units of:		
Pakistan Cash Management Fund		
148,310.2034 (June 30, 2013: 141,411.8902) Units	7,419,233	7,136,478
UBL Liquidity Plus Fund		
161,132.7089 (June 30, 2013: 156,040.8414) Units	16,205,455	15,615,959
	<u>23,624,688</u>	<u>22,752,437</u>

7. CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies as reported in note 9 to the preceding audited annual financial statements of the Company for the year ended June 30, 2013.

There was no capital commitment as at December 31, 2013 and June 30, 2013.

8. FINANCIAL RISK MANAGEMENT

The Company'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.

This 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. TRANSACTIONS WITH RELATED PARTIES

There are no significant transactions with related parties during the current period except for dividend income aggregating Rs.69.839 million (December 31, 2012: Rs.17.473 million) received from Associated Companies.

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 February 27, 2014.

Chief Executive

Director

SFL LIMITED

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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 half year ended December 31, 2013 duly reviewed by external auditors, who has issued a Review Report, which is annexed to the financial statements.

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

Karachi
February 27, 2014

MOHAMMAD ABDULLAH
(CHAIRMAN)

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2013

ASSETS	Note	Un-audited December 31, 2013 Rupees	Audited June 30, 2013 Rupees
Non current assets			
Long term investments	5	2,577,439,293	2,296,086,477
Long term deposit		37,500	37,500
		<u>2,577,476,793</u>	<u>2,296,123,977</u>
Current assets			
Short term investments	6	23,624,688	22,752,437
Cash and bank balances		43,513,619	2,111,719
		<u>67,138,307</u>	<u>24,864,156</u>
Total assets		<u><u>2,644,615,100</u></u>	<u><u>2,320,988,133</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital 20,200,000 (June 30, 2013: 20,200,000) ordinary shares of Rs.10 each		<u>202,000,000</u>	<u>202,000,000</u>
Issued, subscribed and paid-up capital 20,091,450 (June 30, 2013: 20,091,450) ordinary shares of Rs.10 each		200,914,500	200,914,500
Reserves		171,773,404	169,241,877
Unappropriated profit		2,271,626,380	1,949,952,789
		<u>2,644,314,284</u>	<u>2,320,109,166</u>
Current liabilities			
Accrued and other liabilities		300,816	826,710
Taxation - net		-	52,257
		<u>300,816</u>	<u>878,967</u>
Contingencies and commitments	7		
Total equity and liabilities		<u><u>2,644,615,100</u></u>	<u><u>2,320,988,133</u></u>

The annexed notes 1 to 10 form an integral part of this condensed interim consolidated financial information.

Director

Director

The Chief Executive is out of Pakistan and in his absence this condensed interim financial information has been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED DECEMBER 31, 2013

	Quarter ended		Half year ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
----- (Rupees) -----				
Revenue				
Interest on treasury bills	-	97,211	-	279,968
Change in fair values of investments at fair value through profit or loss	447,732	-	872,251	-
	447,732	97,211	872,251	279,968
Administrative expenses	466,646	264,155	784,094	601,483
(Loss) / profit from operations	(18,914)	(166,944)	88,157	(321,515)
Share of profit of Associated Companies	187,410,077	185,208,625	338,632,545	185,208,625
Profit before taxation	187,391,163	185,041,681	338,720,702	184,887,110
Taxation	6,983,955	1,815,987	6,983,955	1,815,987
Profit after taxation	180,407,208	183,225,694	331,736,747	183,071,123
Earnings per share				
- basic and diluted	8.98	9.12	16.51	9.11

The annexed notes 1 to 10 form an integral part of this condensed interim consolidated financial information.

Director

Director

The Chief Executive is out of Pakistan and in his absence this condensed interim financial information has been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED DECEMBER 31, 2013

	Quarter ended		Half year ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	----- (Rupees) -----			
Profit after taxation	180,407,208	183,225,694	331,736,747	183,071,123
Other comprehensive income				
Share of fair value gain on re-measurement of available-for-sale investments of Associated Companies	2,968,940	2,499,233	2,414,413	2,499,233
Share of unrealised gain on re-measurement of hedging instruments of Associated Companies	9,258	51,052	117,114	51,052
	2,978,198	2,550,285	2,531,527	2,550,285
Total comprehensive income for the period	183,385,406	185,775,979	334,268,274	185,621,408

The annexed notes 1 to 10 form an integral part of this condensed interim consolidated financial information.

Director

Director

The Chief Executive is out of Pakistan and in his absence this condensed interim financial information has been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2013

	Half year ended	
	December 31, 2013 Rupees	December 31, 2012 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	338,720,702	184,887,110
Adjustments for non-cash charges:		
Interest income	-	(279,968)
Change in fair values of investment at fair value through profit or loss	(872,251)	74,031
Share of profit of Associates	(338,632,545)	(185,208,625)
	(784,094)	(527,452)
Working capital changes		
Decrease in accrued and other liabilities	(610,110)	(54,983)
Cash used in operating activities	(1,394,204)	(582,435)
Taxes paid	(7,036,213)	(1,815,987)
Long term deposit paid	-	(37,500)
Net cash used in operating activities	(8,430,417)	(2,435,922)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	69,839,550	17,473,500
Short term investments - net	-	(15,301,928)
Interest received	-	371,928
Net cash generated from investing activities	69,839,550	2,543,500
CASH USED IN FINANCING ACTIVITIES		
Dividend paid	(20,007,234)	-
Net increase in cash and cash equivalents	41,401,899	107,578
Cash and cash equivalents - at beginning of the period	2,111,719	2,051,958
Cash and cash equivalents - at end of the period	43,513,618	2,159,536

The annexed notes 1 to 10 form an integral part of this condensed interim consolidated financial information.

Director

Director

The Chief Executive is out of Pakistan and in his absence this condensed interim financial information has been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2013

	Reserves				Sub- total	Unappro- priated profit	Total
	Issued, subscribed and paid-up capital	Reserve arisen upon de-merger	Unrealised gain on available for sale investments	Unrealised gain on hedging instruments			
	----- (Rupees) -----						
Balance as at July 1, 2012	200,914,500	165,340,500	1,876,149	930,339	168,146,988	1,547,823,642	1,916,885,130
Total comprehensive income for the half year ended December 31, 2012							
Profit for the half year ended December 31, 2012	-	-	-	-	-	183,071,123	183,071,123
Other comprehensive income	-	-	2,499,233	51,052	2,550,285	-	2,550,285
	-	-	2,499,233	51,052	2,550,285	183,071,123	185,621,408
Effect of items directly credited in equity by the Associated Companies	-	-	-	-	-	5,634,720	5,634,720
Balance as at December 31, 2012	200,914,500	165,340,500	4,375,382	981,391	170,697,273	1,736,529,485	2,108,141,258
Balance as at July 1, 2013	200,914,500	165,340,500	3,695,691	205,686	169,241,877	1,949,952,789	2,320,109,166
Total comprehensive income for the half year ended December 31, 2013							
Profit for the half year ended December 31, 2013	-	-	-	-	-	331,736,747	331,736,747
Other comprehensive income	-	-	2,414,413	117,114	2,531,527	-	2,531,527
	-	-	2,414,413	117,114	2,531,527	331,736,747	334,268,274
Effect of items directly credited in equity by the Associated Companies	-	-	-	-	-	10,028,294	10,028,294
Transaction with owners							
Cash dividend for the year ended June 30, 2013 at the rate of Re. 1 per share	-	-	-	-	-	(20,091,450)	(20,091,450)
Balance as at December 31, 2013	200,914,500	165,340,500	6,110,104	322,800	171,773,404	2,271,626,380	2,644,314,284

The annexed notes 1 to 10 form an integral part of this condensed interim consolidated financial information.

Director

Director

The Chief Executive is out of Pakistan and in his absence this condensed interim financial information has been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 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 Company) was incorporated as public limited company on April 26, 2010 and its shares have been listed on Karachi Stock Exchange Limited. 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.

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 half year ended December 31, 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 judgement in the process of applying the Group's 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 consolidated financial information, the significant judgements 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 HALF YEAR ENDED DECEMBER 31, 2013**

5. LONG TERM INVESTMENTS	Un-audited December 31, 2013 Rupees	Audited June 30, 2013 Rupees
Associated companies - at equity method		
Unquoted		
Sapphire Finishing Mills Limited		
25,809,000 (June 30, 2013: 25,809,000) ordinary shares of Rs.10 each - cost	258,090,000	258,090,000
Equity held: 28.05% (June 30, 2013: 28.05%)		
Add: share of post acquisition profit	582,041,858	424,765,973
Less: dividend received during the period / year	(24,518,550)	(12,904,500)
	815,613,308	669,951,473
Sapphire Dairies (Private) Limited		
7,000,000 (June 30, 2013: 7,000,000) ordinary shares of Rs.10 each - cost	70,000,000	70,000,000
Equity held: 6.67% (June 30, 2013: 6.67%)		
Add: share of post acquisition profit	(1,375,825)	1,101,709
	68,624,175	71,101,709
Diamond Fabrics Limited		
4,569,000 (June 30, 2013: 4,569,000) ordinary shares of Rs.10 each - cost	33,368,238	33,368,238
Equity held: 30.69% (June 30, 2013: 30.69%)		
Add: share of post acquisition profit	1,319,034,039	1,160,912,553
Less: dividend received during the period / year	(41,121,000)	(4,569,000)
	1,311,281,277	1,189,711,791
Amer Cotton Mills (Private) Limited		
336,000 (June 30, 2013: 336,000) ordinary shares of Rs.10 each - cost	549,305	549,305
Equity held: 8.40% (June 30, 2013: 8.40%)		
Add: share of post acquisition profit	276,959,887	263,028,801
Less: dividend received during the period / year	(4,200,000)	-
	273,309,192	263,578,106
Amer Tex (Private) Limited		
790,428 (June 30, 2013: 790,428) ordinary shares of Rs.10 each - cost	63,774,203	63,774,203
Equity held: 14.41% (June 30, 2013: 14.41%)		
Add: share of post acquisition profit	44,837,138	37,969,195
	108,611,341	101,743,398
	2,577,439,293	2,296,086,477

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2013**

6. SHORT TERM INVESTMENTS	Un-audited	Audited
- At fair value through profit or loss	December 31,	June 30,
	2013	2013
	Rupees	Rupees
Investments in units of:		
Pakistan Cash Management Fund		
148,310.2034 (June 30, 2013: 141,411.8902) Units	7,419,233	7,136,478
UBL Liquidity Plus Fund		
161,132.7089 (June 30, 2013: 156,040.8414) Units	16,205,455	15,615,959
	<u>23,624,688</u>	<u>22,752,437</u>

7. CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingency as reported in note 9 to the preceding audited annual consolidated financial statements of the Group for the year ended June 30, 2013.

There was no capital commitment as at December 31, 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 Group'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 are no significant transactions with related parties during the current period except for dividend income aggregating Rs.69.839 million (December 31, 2012: Rs.17.473 million) received from Associated Companies.

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 February 27, 2014.

Director

Director

The Chief Executive is out of Pakistan and in his absence this condensed interim financial information has been signed by two Directors as required under section 241(2) of the Companies Ordinance, 1984.

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