

**CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE THIRD QUARTER
ENDED MARCH 31, 2016**

(Un-Audited)

SFL LIMITED

SFL LIMITED

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COMPANY PROFILE**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, Independent Director

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. Jawwad Faisal

Secretary : Mr. Shaukat Mahmud

Auditors : Shine Wing Hameed Chaudhri & Co.
Chartered Accountants

Tax Consultants : Mushtaq & Company
Chartered Accountants

Legal Advisor : Mr. Saleem Ikram, Advocate

Bankers : Habib Bank Limited

Registered Office : 316, Cotton Exchange Building,
I. I. Chundrigar Road, Karachi.

Share Registrars : THK Associates (Pvt.) Ltd.
Second Floor, State Life Building-3,
Dr. Ziauddin Ahmed Road, Karachi.

DIRECTOR'S REPORT TO THE SHAREHOLDERS

The Board of Directors of SFL Limited have pleasure in presenting their report together with unaudited financial statements of the company for the nine months ended March 31, 2016.

OPERATIONS

The company earned dividend income of Rs.39,291,901, Gain on sale of investment of Rs.379,884 and change in fair value of investments in funds of Rs.865,043 during the nine months. After meeting administrative expenses of Rs.2,601,676 and provision for taxation of Rs. 5,009,466 net profit after tax for the nine months period comes to Rs. 32,925,686.

EARNING PER SHARE

The company's earnings per share (EPS) were at Rs.1.64 per share as compare to Rs.5.01 of the same period of the last year.

FUTURE OUTLOOK

The company has investments in the shares of associated companies and other listed companies and investment in mutual funds. Profitability of the company depends during the next quarter on the return on investments.

On behalf of the Board

Karachi
Dated :April 26, 2016

SHAHID ABDULLAH
Chief Executive

THIRD QUARTER ACCOUNTS MARCH 31, 2016

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT MARCH 31, 2016

	Note	Un-audited March 31, 2016 Rupees	Audited June 30, 2015 Rupees
ASSETS			
Non current assets			
Investment property		88,103,000	88,103,000
Long term investments	5	403,816,350	403,816,351
Long term deposit		37,500	37,500
		<u>491,956,850</u>	<u>491,956,851</u>
Current assets			
Prepayments		140,564	-
Short term investments	6	24,618,931	39,839,866
Taxation - net		486	-
Bank balances		3,127,630	8,160,639
		<u>27,887,611</u>	<u>48,000,505</u>
Total assets		<u><u>519,844,461</u></u>	<u><u>539,957,356</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital 20,200,000 (June 30, 2015: 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, 2015: 20,091,450) ordinary shares of Rs.10 each		200,914,500	200,914,500
Reserves		318,233,430	335,536,369
		<u>519,147,930</u>	<u>536,450,869</u>
Current liabilities			
Accrued and other liabilities		696,531	407,475
Taxation - net		-	3,099,012
Total liabilities		<u>696,531</u>	<u>3,506,487</u>
Contingencies and commitments	7		
Total equity and liabilities		<u><u>519,844,461</u></u>	<u><u>539,957,356</u></u>

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

Chief Executive

Director

THIRD QUARTER ACCOUNTS MARCH 31, 2016

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2016

	Quarter ended		Nine months ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- (Rupees) -----			
Revenue				
Dividend income	-	-	39,291,901	109,010,639
Gain on sale of investments	-	1,056,033	379,884	1,056,033
Change in fair values of investments at fair value through profit or loss	257,816	(242,792)	865,043	2,586,977
	257,816	813,241	40,536,828	112,653,649
Administrative expenses	(271,329)	(120,696)	(2,601,676)	(1,060,627)
Profit / (Loss) before taxation	(13,513)	692,545	37,935,152	111,593,022
Taxation	-	(101,300)	(5,009,466)	(11,002,365)
Profit / (Loss) after taxation	(13,513)	591,245	32,925,686	100,590,657
Earnings per share - basic and diluted	(0.001)	0.03	1.64	5.01

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

Chief Executive

Director

THIRD QUARTER ACCOUNTS MARCH 31, 2016

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2016

	Quarter ended		Nine months ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- (Rupees) -----			
Profit after taxation	(13,513)	591,245	32,925,686	100,590,657
Other comprehensive income	-	-	-	-
Total comprehensive income	(13,513)	591,245	32,925,686	100,590,657

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

Chief Executive

Director

THIRD QUARTER ACCOUNTS MARCH 31, 2016

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2016

	Nine months ended	
	March 31, 2016 Rupees	March 31, 2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	37,935,152	111,593,022
Adjustments for non-cash items:		
Dividend income	(39,291,901)	(109,010,639)
Gain on sale of investments	(379,884)	(1,056,033)
Change in fair values of investments at fair value through profit or loss	(865,043)	(2,586,977)
Operating loss before working capital changes	(2,601,676)	(1,060,627)
Working capital changes		
Increase / (Decrease) in prepayments	(140,564)	-
Increase in accrued and other liabilities	289,056	250,167
Cash used in operations	(2,453,184)	(810,460)
Taxes paid	(8,108,964)	(7,254,593)
Net cash used in operating activities	(10,562,148)	(8,065,053)
CASH FLOWS FROM INVESTING ACTIVITIES		
Short term investments acquired	(2,153,888)	-
Short term investments redeemed	18,619,750	22,944,000
Dividend received	39,291,901	71,532,932
Long term investments acquired	-	(83,644)
Purchase of Land	-	(68,751,600)
Advance against purchase of Land	-	(20,000,000)
Net cash generated from investing activities	55,757,763	5,641,688
CASH USED IN FINANCING ACTIVITIES		
Dividend paid	(50,228,625)	-
Net (decrease) / increase in cash and cash equivalents	(5,033,010)	(2,423,365)
Cash and cash equivalents - at the beginning of the period	8,160,639	3,274,301
Cash and cash equivalents - at the end of the period	3,127,630	850,936

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

Chief Executive

Director

THIRD QUARTER ACCOUNTS MARCH 31, 2016

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2016

	Issued, subscribed and paid-up capital	Reserves		Sub- total	Total
		Reserve arisen upon de-merger	Unappro- priated profit		
----- Rupees -----					
Balance as at July 1, 2014	200,914,500	165,340,500	69,027,285	234,367,785	435,282,285
Total comprehensive income for the nine months period ended March 31, 2015					
Profit for the period	-	-	100,590,657	100,590,657	100,590,657
Other comprehensive income	-	-	-	-	-
	-	-	100,590,657	100,590,657	100,590,657
Balance as at March 31, 2015	200,914,500	165,340,500	169,617,942	334,958,442	535,872,942
Balance as at July 1, 2015	200,914,500	165,340,500	170,195,869	335,536,369	536,450,869
Transaction with owners, recognised directly in equity					
Cash dividend for the year ended June 30, 2015 at the rate of Rs.2.5 per share	-	-	(50,228,625)	(50,228,625)	(50,228,625)
Total comprehensive income for the nine months period ended March 31, 2016					
Profit for the period	-	-	32,925,686	32,925,686	32,925,686
Other comprehensive income	-	-	-	-	-
	-	-	32,925,686	32,925,686	32,925,686
Balance as at March 31, 2016	200,914,500	165,340,500	152,892,930	318,233,430	519,147,930

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

Chief Executive

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2016

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 (Pakistan Stock Exchange Limited with effect from January 11, 2016). 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 requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. 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 of the Company for the year ended June 30, 2015.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2015.

There are certain new International Financial Reporting Standards (standards), amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2015. These considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in this condensed interim financial information.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements for the year ended June 30, 2015.

	Un-audited March 31, 2016 Rupees	Audited June 30, 2015 Rupees
5. LONG TERM INVESTMENTS - at cost		
Investments in ordinary shares of		
- Subsidiary Company	100,000	100,000
- Associated Companies	403,716,350	403,716,351
	403,816,350	403,816,351

THIRD QUARTER ACCOUNTS MARCH 31, 2016

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2016

				Un-audited March 31, 2016 Rupees	Audited June 30, 2015 Rupees
6. SHORT TERM INVESTMENTS					
	- At fair value through profit or loss				
	Un-audited March 31, 2016 (Number of units / shares)	Audited June 30, 2015	Mutual funds		
	-	181,666.9075	UBL Money Market Fund	-	18,239,866
	190,646.1379	190,646.1379	HBL Income Fund	20,973,630	20,000,000
			Listed companies		
	50,000	50,000	Altern Energy Limited	1,554,500	1,600,000
	20,000	-	Hub Power Company Limited	2,090,801	-
				24,618,931	39,839,866

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, 2015.

There was no capital commitment as at March 31, 2016 and June 30, 2015.

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, 2015.

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

9. TRANSACTIONS WITH RELATED PARTIES

There are no transactions with related parties during the current period except for dividend income aggregating Rs.39,291,901 (March 31, 2015: Rs.109,010,639) received from Associated Companies and meeting fee amounting Rs.30,000 (March 31, 2015: Rs.Nil) paid to a non-executive director.

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 April 26, 2016.

Chief Executive

Director

SFL LIMITED

Consolidated Accounts

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DIRECTOR'S 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 the un-audited Consolidated Financial Statements of SFL Limited and its subsidiary SFL Corporation (Private) Limited for the nine months ended March 31, 2016.

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 objects 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
Dated :April 26, 2016

SHAHID ABDULLAH
Chief Executive

THIRD QUARTER ACCOUNTS MARCH 31, 2016

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

	Note	Un-audited March 31, 2016 Rupees	Audited June 30, 2015 Rupees
ASSETS			
Non current assets			
Investment property		88,103,000	88,103,000
Long term investments	5	2,785,727,623	2,784,175,063
Long term deposit		37,500	37,500
		<u>2,873,868,123</u>	<u>2,872,315,563</u>
Current assets			
Prepayments		140,564	-
Short term investments	6	24,618,931	39,839,866
Taxation - net		486	-
Cash and bank balances		3,202,110	8,248,239
		<u>27,962,091</u>	<u>48,088,105</u>
Total assets		<u><u>2,901,830,214</u></u>	<u><u>2,920,403,668</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
20,200,000 (June 30, 2015: 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, 2015: 20,091,450) ordinary shares of Rs.10 each		200,914,500	200,914,500
Reserves		2,691,919,612	2,709,253,553
Total equity		<u>2,892,834,112</u>	<u>2,910,168,053</u>
Liabilities			
Non current liabilities			
Deferred taxation		8,204,571	6,634,128
Current liabilities			
Accrued and other liabilities		791,531	502,475
Taxation - net		-	3,099,012
		<u>791,531</u>	<u>3,601,487</u>
Total liabilities		<u>8,996,102</u>	<u>10,235,615</u>
Contingencies and commitments	7		
Total equity and liabilities		<u><u>2,901,830,214</u></u>	<u><u>2,920,403,668</u></u>

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

Chief Executive

Director

THIRD QUARTER ACCOUNTS MARCH 31, 2016

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2016

	Quarter ended		Nine months ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rupees)			
Revenue				
Gain on sale of investments	-	-	379,884	-
Change in fair values of investments at fair value through profit or loss	257,816	813,241	865,043	3,643,010
	257,816	813,241	1,244,927	3,643,010
Administrative expenses	(271,329)	(120,696)	(2,614,795)	(1,063,677)
Profit / (Loss) from operations	(13,513)	692,545	(1,369,868)	2,579,333
Share of profit of Associated Companies	67,220,250	93,535,132	80,746,403	188,671,170
Profit before taxation	67,206,737	94,227,677	79,376,535	191,250,503
Taxation	(217,594)	(169,791)	(6,579,909)	(17,760,709)
Profit after taxation	66,989,143	94,057,886	72,796,626	173,489,794
Earnings per share - basic and diluted	3.33	4.68	3.62	8.64

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

Chief Executive

Director

THIRD QUARTER ACCOUNTS MARCH 31, 2016

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2016

	Quarter ended		Nine months ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- (Rupees) -----			
Profit after taxation	66,989,143	94,057,886	72,796,626	173,489,794
Other comprehensive income				
Share of fair value gain / (loss) on re-measurement of available-for-sale investments of Associated Companies	(16,103,823)	(2,245,710)	(31,621,944)	(298,304)
Share of unrealised (loss) / gain on re-measurement of hedging instruments of Associated Companies	1,240	(1,309,978)	45,736	137,619
	(16,102,583)	(3,555,688)	(31,576,208)	(160,685)
Total comprehensive income for the period	50,886,560	90,502,198	41,220,418	173,329,109

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

Chief Executive

Director

THIRD QUARTER ACCOUNTS MARCH 31, 2016

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2016

	Nine months ended	
	March 31, 2016 Rupees	March 31, 2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	79,376,535	191,250,503
Adjustments for non-cash items:		
Gain on sale of investments	(379,884)	-
Change in fair value of investments at fair value through profit or loss	(865,043)	(3,643,010)
Share of profit of Associated Companies	(80,746,403)	(188,671,170)
Operating loss before working capital changes	(2,614,795)	(1,063,677)
Working capital changes		
Increase in prepayments	(140,564)	-
Increase in accrued and other liabilities	289,056	250,167
Cash used in operations	(2,466,303)	(813,510)
Taxes paid	(8,108,964)	(7,254,593)
Net cash used in operating activities	(10,575,267)	(8,068,103)
CASH FLOWS FROM INVESTING ACTIVITIES		
Short term investments acquired	(2,153,888)	-
Short term investments redeemed	18,619,750	22,944,000
Dividend received	39,291,901	71,532,932
Long term investments acquired	-	(83,644)
Purchase of Land	-	(68,751,600)
Advance against purchase of Land	-	(20,000,000)
Net cash generated from investing activities	55,757,763	5,641,688
CASH USED IN FINANCING ACTIVITIES		
Dividend paid	(50,228,625)	-
Net (decrease) / increase in cash and cash equivalents	(5,046,129)	(2,426,415)
Cash and cash equivalents - at beginning of the period	8,248,239	3,364,951
Cash and cash equivalents - at end of the period	3,202,110	938,536

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

Chief Executive

Director

THIRD QUARTER ACCOUNTS MARCH 31, 2016

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2016

	Reserves					Sub-total	Total
	Issued, subscribed and paid-up capital	Reserve arisen upon de-merger	Share of unrealised gain / (loss) on available for sale investments of Associated Companies	Share of unrealised gain on hedging instruments of Associated Companies	Unappro- priated profit		
----- Rupees -----							
Balance as at July 1, 2014	200,914,500	165,340,500	9,443,000	3,423,339	2,347,223,802	2,525,430,641	2,726,345,141
Total comprehensive income for the Nine Months ended March 31, 2015							
Profit for the period	-	-	-	-	173,489,794	173,489,794	173,489,794
Other comprehensive income	-	-	(298,304)	137,619	-	(160,685)	(160,685)
	-	-	(298,304)	137,619	173,489,794	173,329,109	173,329,109
Effect of items directly recorded in equity of Associated Companies	-	-	-	-	7,603,375	7,603,375	7,603,375
Balance as at March 31, 2015	200,914,500	165,340,500	9,144,696	3,560,958	2,528,316,971	2,706,363,125	2,907,277,625
Balance as at July 1, 2015	200,914,500	165,340,500	20,287,341	362,631	2,523,263,081	2,709,253,553	2,910,168,053
Transaction with owners, recognised directly in equity							
Cash dividend for the year ended June 30, 2015 at the rate of Rs.2.5 per share	-	-	-	-	(50,228,625)	(50,228,625)	(50,228,625)
Total comprehensive income for the Nine Months ended March 31, 2016							
Profit for the period	-	-	-	-	72,796,626	72,796,626	72,796,626
Other comprehensive (loss) / income	-	-	(31,621,944)	45,736	-	(31,576,208)	(31,576,208)
	-	-	(31,621,944)	45,736	72,796,626	41,220,418	41,220,418
Effect of items directly recorded in equity of Associated Companies	-	-	-	-	(8,325,734)	(8,325,734)	(8,325,734)
Balance as at March 31, 2016	200,914,500	165,340,500	(11,334,603)	408,367	2,537,505,348	2,691,919,612	2,892,834,112

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

Chief Executive

Director

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2016

1. THE GROUP AND ITS OPERATIONS

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

SFL Limited (the Holding Company) was incorporated as public limited company on April 26, 2010 and its shares have been listed on Karachi Stock Exchange Limited (Pakistan Stock Exchange Limited with effect from January 11, 2016). The registered office of the Holding Company is located at 316 - Cotton Exchange Building, I.I. Chundrigar Road, Karachi. The main business of the Holding Company is to invest in the shares of Associated Companies and other business as per the Memorandum of Association of the Holding Company.

SFL Corporation (Private) Limited (the Subsidiary Company) was incorporated as private limited company in Pakistan on October 4, 2011 under the Companies Ordinance, 1984. The address of its registered office is 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.

2. BASIS OF PREPARATION

This condensed interim consolidated 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 requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim consolidated financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the audited annual consolidated financial statements of the Group for the year ended June 30, 2015.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim consolidated financial information are consistent with those applied in the preparation of annual consolidated financial statements for the year ended June 30, 2015.

There are certain new International Financial Reporting Standards (standards), amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2015. These considered not to be relevant or to have any significant effect on the Group's financial reporting and operations and are, therefore, not disclosed in this condensed interim consolidated financial information.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed interim consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended June 30, 2015.

THIRD QUARTER ACCOUNTS MARCH 31, 2016

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2016

5. LONG TERM INVESTMENTS	Un-audited March 31, 2016 Rupees	Audited June 30, 2015 Rupees
Associated Companies- Equity method		
Unquoted		
Sapphire Finishing Mills Limited (SFML) 25,809,000 (June 30, 2015: 25,809,000) ordinary shares of Rs.10 each - cost	258,090,000	258,090,000
Equity held: 28.05% (June 30, 2015: 28.05%)		
Share of post acquisition profit	843,625,131	751,739,289
Dividend received during the year	(30,970,800)	(38,713,500)
	1,070,744,331	971,115,789
Sapphire Dairies Limited (SDL) 7,000,000 (June 30, 2015: 7,000,000) ordinary shares of Rs.10 each - cost	70,000,000	70,000,000
Equity held: 6.67% (June 30, 2015: 6.67%)		
Share of post acquisition losses	(1,597,384)	(989,001)
	68,402,616	69,010,999
Diamond Fabrics Limited (DFL) 4,569,000 (June 30, 2015:4,569,000) ordinary shares of Rs.10 each - cost	33,368,238	33,368,238
Equity held: 30.69% (June 30, 2015: 30.69%)		
Share of post acquisition profit	1,173,564,679	1,305,337,741
Dividend received during the year	-	(66,261,377)
	1,206,932,917	1,272,444,602
Amer Cotton Mills (Private) Limited (ACML) 336,000 (June 30, 2015: 336,000) ordinary shares of Rs.10 each - cost	549,305	549,305
Equity held: 8.40% (June 30, 2015: 8.40%)		
Share of post acquisition profit	214,999,169	243,045,011
Dividend received during the year	-	(3,199,330)
	215,548,474	240,394,986
Amer Tex (Private) Limited (ATL) 790,428 (June 30, 2015: 790,428) ordinary shares of Rs.10 each - cost	63,774,203	63,774,203
Equity held: 14.41% (June 30, 2015: 14.41%)		
Share of post acquisition profit	62,660,159	63,531,857
Dividend received during the year	(5,532,996)	-
	120,901,366	127,306,060
Quoted		
Reliance Cotton Spinning Mills Limited (RCSML) 557,621(June 30, 2015: 557,621) ordinary shares of Rs.10 each - cost	37,561,351	37,561,351
Equity held: 5.42% (June 30, 2015: 5.42%)		
Share of post acquisition profit	68,424,673	67,177,708
Dividend received during the year	(2,788,105)	(836,432)
	103,197,919	103,902,627
	2,785,727,623	2,784,175,063

THIRD QUARTER ACCOUNTS MARCH 31, 2016

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2016

6. SHORT TERM INVESTMENTS

- at fair value through profit or loss

Un-audited March 31, 2016	Audited June 30, 2015		Un-audited March 31, 2016 Rupees	Audited June 30, 2015 Rupees
- (Number of units / shares) -				
Mutual funds				
-	181,666.9075	UBL Money Market Fund	-	18,239,866
190,646.1379	190,646.1379	HBL Income Fund	20,973,630	20,000,000
Listed companies				
50,000	50,000	Altern Energy Limited	1,554,500	1,600,000
20,000	-	Hub Power Company Limited	2,090,801	-
			24,618,931	39,839,866

7. CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies as reported in note 10 to the annual consolidated financial statements of the Company for the year ended June 30, 2015.

There was no capital commitment as at March 31, 2016 and June 30, 2015.

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.

This condensed interim consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statement as at June 30, 2015.

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

9. TRANSACTIONS WITH RELATED PARTIES

There are no transactions with related parties during the current period except for dividend income aggregating Rs.39,291,901 (March 31, 2015: Rs.109,010,639) received from Associated Companies and meeting fee amounting Rs.30,000 (March 31, 2015: Rs.Nil) paid to a non-executive director.

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 Holding Company on April 26, 2016.

Chief Executive

Director

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Under Postal Certificate

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SFL LIMITED

316, Cotton Exchange Building,
I. I. Chundrigar Road, Karachi - Pakistan.