

**CONDENSED INTERIM  
FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED  
SEPTEMBER 30, 2016  
(UN-AUDITED)**

**SFL LIMITED**

# **SFL LIMITED**

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## **COMPANY PROFILE**

### **Board Of Directors**

|                        |   |  |
|------------------------|---|--|
| <b>Chairman</b>        | : | Mr. Mohammad Abdullah  |
| <b>Chief Executive</b> | : | Mr. Shahid Abdullah  |
| <b>Director</b>        | : | Mr. Nadeem Abdullah<br>Mr. Amer Abdullah<br>Mr. Yousuf Abdullah<br>Mr. Mohammad Yamin<br>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.

## **DIRECTORS' REPORT**

The Board of Directors of SFL Limited have pleasure in presenting their report together with un-audited financial statements of the company for the quarter ended September 30, 2016.

### **OPERATIONS**

The company earned dividend income of Rs.116,500 and change in fair value of investments in funds of Rs.174,443 during the quarter. After meeting administrative expenses of Rs.395,990 and provision for taxation of Rs. 8,738 net loss after tax comes to Rs. 113,785 for the quarter.

### **EARNING PER SHARE**

The company's Loss per share were at Rs. (0.01) per share as compare to Earning per share of Rs.0.017 for the same period of the last year.

### **FUTURE OUTLOOK**

The operating assets of the company comprises of, investments in the shares of associated companies, other listed 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:  
Dated: October 31, 2016

**SHAHID ABDULLAH**  
CHIEF EXECUTIVE

## ڈائریکٹر رپورٹ برائے حصص یافتگان

کمپنی کے ڈائریکٹران آپ کے سامنے نہایت مسرت کے ساتھ 30 ستمبر 2016 کو اختتام پذیر ہونے والی سہ ماہی کی غیر آڈٹ شدہ تفصیلات پیش کر رہے ہیں۔

کاروباری کارکردگی

کمپنی کی اس سہ ماہی کے دوران ڈیویڈنڈ کی مدد میں آمدنی 116,500 روپے تھی اور فنڈز میں سرمایہ کاری کی مناسب قدر میں تبدیلی 174,443 روپے تھی۔ اس سہ ماہی کے دوران 395,990 روپے کے تمام انتظامی اخراجات اور 8,738 روپے ٹیکس کی کٹوتی کے بعد خالص نقصان 113,785 روپے تھا۔

آمدنی فی حصص

فی حصص کمپنی کا نقصان (0.01) روپے ہے، گذشتہ سال اسی مدت کیلئے آمدنی 0.017 روپے فی حصص تھی۔

مستقبل کا منظر نامہ

کمپنی کے آپریٹنگ اثاثے، منسلک کمپنیوں کے حصص میں سرمایہ کاری، دیگر لسٹڈ کمپنیوں کے حصص میں سرمایہ کاری اور فنڈز میں سرمایہ کاری پر مشتمل ہیں۔ اگلی سہ ماہی میں کمپنی کے منافع کا دار و مدار سرمایہ کاری کے منافع پر منحصر ہے۔

بورڈ کی جانب سے

شاہد عبداللہ  
چیف ایگزیکٹو

کراچی  
تاریخ: 31 اکتوبر 2016ء

**CONDENSED INTERIM BALANCE SHEET  
FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

|  |   | Un-Audited<br>September 30<br>2016<br>Rupees | Audited<br>June 30<br>2015<br>Rupees |
|--|---|--|--------------------------------------|
| <b>ASSETS</b>  |   |  |                                      |
| <b>Non current assets</b>  |   |  |                                      |
| Investment property  |   | 88,103,000                                   | 88,103,000                           |
| Long term investments  | 5 | 403,816,351                                  | 403,816,351                          |
| Long term deposit  |   | 37,500                                       | 37,500                               |
|  |   | 491,956,851                                  | 491,956,851                          |
| <b>Current assets</b>  |   |  |                                      |
| Short term investments   | 6 | 25,320,753                                   | 25,146,310                           |
| Prepayments  |   | 512,003                                      | -                                    |
| Taxation - net   |   | 786  | 486                                  |
| Bank balances - current accounts                                     |   | 2,328,941                                    | 3,066,856                            |
|  |   | 28,162,483                                   | 28,213,652                           |
| <b>Total assets</b>  |   | 520,119,334                                  | 520,170,503                          |
| <b>EQUITY AND LIABILITIES</b>  |   |  |                                      |
| <b>Share capital and reserves</b>                                    |   |  |                                      |
| Authorized Capital   |   |  |                                      |
| 20,200,000 (June 30, 2016: 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, 2016: 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  |   | 151,643,446                                  | 151,757,230                          |
| <b>Total equity</b>  |   | 517,898,446                                  | 518,012,230                          |
| <b>Current liabilities</b>   |   |  |                                      |
| Accrued and other liabilities  |   | 2,220,889                                    | 2,158,273                            |
| <b>Total liabilities</b>   |   | 2,220,889                                    | 2,158,273                            |
| <b>Contingencies and commitments</b>                                 | 7 |  |                                      |
| <b>Total equity and liabilities</b>                                  |   | 520,119,334                                  | 520,170,503                          |

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

**Chief Executive**

**Director**

## Quarterly Accounts September 30, 2016

### CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

|   | September 30,<br>2016<br>Rupees | September 30,<br>2015<br>Rupees |
|---|---------------------------------|---------------------------------|
| <b>Revenue</b>  |                                 |                                 |
| Dividend income   | 116,500                         | -                               |
| Change in fair value of investments at fair<br>value through profit or loss | 174,443                         | 977,348                         |
|   | <u>290,943</u>                  | <u>977,348</u>                  |
| Administrative expenses   | 395,990                         | 641,307                         |
|   | <u>(105,047)</u>                | <u>336,041</u>                  |
| <b>Profit / (Loss) before taxation</b>                                      |                                 |                                 |
| Taxation  | 8,738                           | -                               |
|   | <u>(113,785)</u>                | <u>336,041</u>                  |
| <b>Profit / (Loss) after taxation</b>                                       |                                 |                                 |
|   | <u>(0.01)</u>                   | <u>0.017</u>                    |
| <b>Earnings /(Loss) per share - basic and diluted</b>                       |                                 |                                 |

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

Chief Executive

Director

## Quarterly Accounts September 30, 2016

### CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

|  | September 30,<br>2016<br>Rupees | September 30,<br>2015<br>Rupees |
|--|---------------------------------|---------------------------------|
| Profit / (Loss) after taxation             | (113,785)                       | 336,041                         |
| Other comprehensive income / (loss)        | -                               | -                               |
| <b>Total comprehensive income / (loss)</b> | <b>(113,785)</b>                | <b>336,041</b>                  |

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

Chief Executive

Director



**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

|  | <b>September 30,<br/>2016<br/>Rupees</b> | <b>September 30,<br/>2015<br/>Rupees</b> |
|--|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                              |  |  |
| Profit before taxation   | (105,047)                                | 336,041                                  |
| <b>Adjustments for non-cash items:</b>                                   |  |  |
| Dividend income  | (116,500)                                | -  |
| Change in fair value of investments at fair value through profit or loss | (174,443)                                | (977,348)                                |
|  | (290,943)                                | (977,348)                                |
| <b>Operating loss before working capital changes</b>                     | (395,990)                                | (641,307)                                |
| <b>Working capital changes</b>   |  |  |
| (Increase)/Decrease in prepaid expenses                                  | (512,003)                                | -  |
| Increase/(Decrease) in accrued and other liabilities                     | 63,319                                   | 38,800                                   |
| <b>Cash used in operations</b>   | (844,674)                                | (602,507)                                |
| Taxes paid   | (9,038)                                  | -  |
| <b>Net cash used in operating activities</b>                             | (853,712)                                | (602,507)                                |
| <b>CASH INFLOW FROM INVESTING ACTIVITIES</b>                             |  |  |
| Dividend received  | 116,500                                  | -  |
| <b>CASH USED IN FINANCING ACTIVITIES</b>                                 |  |  |
| Dividend paid  | (703)                                    | -  |
| <b>Net (decrease) / increase in cash and cash equivalents</b>            | (737,915)                                | (602,507)                                |
| Cash and cash equivalents at beginning of the period                     | 3,066,856                                | 8,160,639                                |
| <b>Cash and cash equivalents at end of the period</b>                    | 2,328,941                                | 7,558,132                                |

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

Chief Executive

Director

## Quarterly Accounts September 30, 2016

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY(UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

|  | Share<br>capital   | Reserve<br>arisen upon<br>de-merger | Unappro-<br>priated<br>profit | Total              |
|--|--------------------|-------------------------------------|-------------------------------|--------------------|
|  | ----- Rupees ----- |                                     |                               |                    |
| <b>Balance as at July 1, 2015 (Audited)</b>                                  | 200,914,500        | 165,340,500                         | 170,195,869                   | 536,450,869        |
| Total comprehensive Income/(Loss)<br>For the quarter ended September 30,2015 |                    |                                     | 336,041                       | 336,041            |
| <b>Balance as at September 30, 2015</b>                                      | <u>200,914,500</u> | <u>165,340,500</u>                  | <u>170,531,910</u>            | <u>536,786,910</u> |
| Balance as at July 1, 2016 (Audited)   | 200,914,500        | 165,340,500                         | 151,757,230                   | 518,012,230        |
| Total comprehensive Income/(Loss)<br>For the quarter ended September 30,2016 |                    |                                     | (113,785)                     | (113,785)          |
| <b>Balance as at September 30, 2016</b>                                      | <u>200,914,500</u> | <u>165,340,500</u>                  | <u>151,643,446</u>            | <u>517,898,446</u> |

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 QUARTER ENDED SEPTEMBER 30, 2016

### 1. THE COMPANY AND ITS OPERATIONS

SFL Limited (the Company) was incorporated as public limited company on April 26, 2010 and its shares has been listed on Karachi Stock Exchange (Guarantee) 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 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, 2016.

### 3. ACCOUNTING POLICIES

The accounting policies adopted in 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, 2016

### 4. ACCOUNTING ESTIMATES AND JUDGEMENT

The preparation of this 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 judgments made by the management in applying the company's 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, 2016.

|  | <b>Un-Audited<br/>September 30,<br/>2016</b> | <b>Audited<br/>June 30 ,<br/>2016</b> |
|--|--|---------------------------------------|
|  | <b>Rupees</b>                                | <b>Rupees</b>                         |
| <b>5. LONG TERM INVESTMENTS- at Cost</b> |  |                                       |
| Investments in ordinary shares of        |  |                                       |
| - Subsidiary Company                     | <b>100,000</b>                               | 100,000                               |
| - Associated Companies                   | <b>403,716,351</b>                           | 403,716,351                           |
|  | <b><u>403,816,351</u></b>                    | <b><u>403,816,351</u></b>             |

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

|                                  |  |               |                               | Un-Audited<br>September 30,<br>2016<br>Rupees | Audited<br>June 30 ,<br>2016<br>Rupees |
|----------------------------------|--|---------------|-------------------------------|---|--|
| <b>6. SHORT TERM INVESTMENTS</b> |  |               |                               |   |  |
|                                  | - at fair value through profit or loss |               |                               |   |  |
|                                  | <b>September 30, 2016</b>              | June 30, 2016 |                               |   |  |
|                                  | - (Number of units / shares) -         |               |                               |   |  |
|                                  |  |               | <b>Mutual funds</b>           |   |  |
|                                  | <b>197,114.35</b>                      | 197,114.35    | HBL Income Fund               | <b>21,076,353</b>                             | 20,912,610                             |
|                                  |  |               | <b>Listed company</b>         |   |  |
|                                  | <b>50,000</b>                          | 50,000        | Altern Energy Limited         | <b>1,861,000</b>                              | 1,832,500                              |
|                                  | <b>20,000</b>                          | 20,000        | The Hub Power Company Limited | <b>2,383,400</b>                              | 2,401,200                              |
|                                  |  |               |                               | <b>25,320,753</b>                             | 25,146,310                             |

### 7. CONTINGENCIES AND COMMITMENT

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, 2016.

There was no capital commitment as at September 30, 2016 and June 30, 2016.

### 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, 2016.

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

### 9. TRANSACTIONS WITH RELATED PARTIES

There was no transaction with related parties during the quarter ended September 30, 2016.

### 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 31, 2016.

**Chief Executive**

**Director**

# **SFL LIMITED**

## **Consolidated Accounts**

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## **DIRECTORS' REPORT**

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 quarter ended September 30, 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: October 31, 2016

SHAHID ABDULLAH  
CHIEF EXECUTIVE

## ڈائریکٹر رپورٹ برائے حصص یافتگان

ایس ایف ایل کارپوریشن (پرائیویٹ) لمیٹڈ کی ہولڈنگ کمپنی کے ڈائریکٹران نہایت مسرت کے ساتھ ایس ایف ایل لمیٹڈ اور اس کے ماتحت ادارے ایس ایف ایل کارپوریشن (پرائیویٹ) لمیٹڈ کی 30 ستمبر 2016 کو اختتام پذیر ہونے والی سہ ماہی کی غیر آڈٹ شدہ یکجا مالیاتی تفصیلات آپ کے سامنے پیش کر رہے ہیں۔

ایس ایف ایل کارپوریشن (پرائیویٹ) لمیٹڈ کا وجود اس مقصد کے تحت ہوا ہے جو اس کی ایسوی ایٹن کی یادداشت میں دیئے گئے ہیں جن میں شامل ہے ان کمپنیوں کے حصص کا حصول اور خریداری جن کا مقصد کم و بیش اسی کمپنی جیسا ہے۔ کمپنی نے اپنے قائم ہونے کے بعد سے آج تک کوئی سرگرمی انجام نہیں دی ہے۔

بورڈ کی جانب سے

شاہد عبداللہ  
چیف ایگزیکٹو

کراچی  
تاریخ: 31 اکتوبر 2016ء

**CONDENSED INTERIM CONSOLIDATED BALANCE SHEET  
AS AT SEPTEMBER 30, 2016**

|  | Note | Un-Audited<br>September 30,<br>2016<br>Rupees | Audited<br>June 30 ,<br>2016<br>Rupees |
|--|------|---|--|
| <b>ASSETS</b>  |      |   |  |
| <b>Non current assets</b>  |      |   |  |
| Investment property  |      | 88,103,000                                    | 88,103,000                             |
| Long term investments  | 5    | 2,787,136,243                                 | 2,861,974,744                          |
| Long term deposit  |      | 37,500  | 37,500                                 |
|  |      | <b>2,875,276,743</b>                          | 2,950,115,244                          |
| <b>Current assets</b>  |      |   |  |
| Short term investments   | 6    | 25,320,753                                    | 25,146,310                             |
| Prepayments  |      | 512,003                                       | -                                      |
| Taxation - Net   |      | 786   | 486                                    |
| Bank balances - current accounts   |      | 2,393,421                                     | 3,141,336                              |
|  |      | <b>28,226,963</b>                             | 28,288,132                             |
| <b>Total assets</b>  |      | <b>2,903,503,706</b>                          | 2,978,403,376                          |
| <b>EQUITY AND LIABILITIES</b>  |      |   |  |
| <b>Share capital and reserves</b>  |      |   |  |
| Authorized Capital<br>20,200,000 (June 30,2016 :20,200,000) ordinary<br>shares of Rs.10 each                     |      | <b>202,000,000</b>                            | 202,000,000                            |
| Issued, subscribed and paid-up capital<br>20,091,450 (June 30,2016 :20,091,450) ordinary<br>shares of Rs.10 each |      | <b>200,914,500</b>                            | 200,914,500                            |
| Reserve arisen upon de-merger  |      | <b>218,496,360</b>                            | 199,935,021                            |
| Unappropriated profit  |      | <b>2,472,743,293</b>                          | 2,566,684,682                          |
| <b>Total equity</b>  |      | <b>2,892,154,153</b>                          | 2,967,534,203                          |
| <b>Liabilities</b>   |      |   |  |
| <b>Non current liabilities</b>   |      |   |  |
| Deferred taxation  |      | <b>9,014,915</b>                              | 8,600,900                              |
| <b>Current liabilities</b>   |      |   |  |
| Accrued and other liabilities  |      | <b>2,334,639</b>                              | 2,268,273                              |
| <b>Total liabilities</b>   |      | <b>11,349,554</b>                             | 10,869,173                             |
| <b>Contingencies and commitments</b>   | 7    |   |  |
| <b>Total equity and liabilities</b>  |      | <b>2,903,503,706</b>                          | 2,978,403,376                          |

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

**Chief Executive**

**Director**



## Quarterly Accounts September 30, 2016

### CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

|  | Note | September 30,<br>2016<br>Rupees | September 30,<br>2015<br>Rupees |
|--|------|---------------------------------|---------------------------------|
| <b>Revenue</b>   |      |                                 |                                 |
| Dividend income  |      | 116,500                         | -                               |
| Change in fair value of investments at fair value through profit or loss |      | 174,443                         | 977,348                         |
|  |      | <b>290,943</b>                  | 977,348                         |
| Administrative expenses  |      | 409,740                         | 651,342                         |
| <b>Profit / (Loss) from operations</b>                                   |      | <b>(118,797)</b>                | 326,006                         |
| Share of Profit/(Loss) of Associated Companies                           |      | <b>(1,425,512)</b>              | 13,459,974                      |
| <b>Profit / (Loss) before taxation</b>                                   |      | <b>(1,544,309)</b>              | 13,785,980                      |
| <b>Taxation</b>  |      |                                 |                                 |
| - Current Year   |      | 8,738                           | -                               |
| - Deferred   |      | 414,015                         | 60,229                          |
|  |      | <b>422,753</b>                  | 60,229                          |
| <b>Profit / (Loss) after taxation</b>                                    |      | <b>(1,967,062)</b>              | 13,725,751                      |
| <b>Earnings / (Loss) per share</b> - basic and diluted                   |      | <b>(0.10)</b>                   | 0.68                            |

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

Chief Executive

Director

## Quarterly Accounts September 30, 2016

### CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

|   | September 30,<br>2016 | September 30,<br>2015 |
|---|-----------------------|-----------------------|
|   | Rupees                | Rupees                |
| <b>Profit after taxation</b>  | <b>(1,967,062)</b>    | 13,725,751            |
| <b>Other comprehensive income:</b>  |                       |                       |
| Share of unrealized gain on available for sale investments<br>of Associated Companies | <b>18,579,098</b>     | (17,533,934)          |
| Share of unrealized (loss) / gain on hedging instruments<br>of Associated Companies   | <b>(17,759)</b>       | 45,935                |
|   | <b>18,561,339</b>     | (17,487,999)          |
| <b>Total comprehensive income</b>   | <b>16,594,278</b>     | (3,762,248)           |

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

Chief Executive

Director

## Quarterly Accounts September 30, 2016

### CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

|  | September 30,<br>2016 | September 30,<br>2015 |
|--|-----------------------|-----------------------|
|  | Rupees                | Rupees                |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                              |                       |                       |
| Profit/ (Loss) before taxation   | (1,544,309)           | 13,785,980            |
| <b>Adjustments for non-cash items:</b>                                   |                       |                       |
| Dividend Income  | (116,500)             | -                     |
| Change in fair value of investments at fair value through profit or loss | (174,443)             | (977,348)             |
| Share of Profit/ Loss of Associates                                      | 1,425,512             | (13,459,974)          |
|  | 1,134,569             | (14,437,322)          |
| <b>Operating loss before working capital changes</b>                     | <b>(409,740)</b>      | <b>(651,342)</b>      |
| <b>Working capital changes</b>   |                       |                       |
| (Increase)/Decrease in prepaid expenses                                  | (512,003)             |                       |
| Increase / (decrease) in accrued and other liabilities                   | 67,069                | 38,800                |
| <b>Cash used in operations</b>   | <b>(854,674)</b>      | <b>(612,542)</b>      |
| Taxes paid   | (9,038)               | -                     |
| <b>Net cash used in operating activities</b>                             | <b>(863,712)</b>      | <b>(612,542)</b>      |
| <b>CASH INFLOW FROM INVESTING ACTIVITIES</b>                             |                       |                       |
| Dividend received  | 116,500               | -                     |
| <b>CASH USED IN FINANCING ACTIVITIES</b>                                 |                       |                       |
| Dividend paid  | (703)                 | -                     |
| <b>Net (decrease) / increase in cash and cash equivalents</b>            | <b>(747,915)</b>      | <b>(612,542)</b>      |
| <b>Cash and cash equivalents - at beginning of the Period</b>            | <b>3,141,336</b>      | <b>8,248,239</b>      |
| <b>Cash and cash equivalents - at end of the period</b>                  | <b>2,393,421</b>      | <b>7,635,697</b>      |

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

Chief Executive

Director

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

|  | Reserves           |                               |   |  | Sub-total          | Unappropriated profit | Total                |
|--|--------------------|-------------------------------|---|--|--------------------|-----------------------|----------------------|
|  | Share capital      | Reserve arisen upon de-merger | Share of unrealised gain available for sale investments of Associated Companies | Share of unrealised gain / (loss) on hedging instruments of Associated Companies |                    |                       |                      |
| Balance as at July 1, 2015 (Audited)                                       | 200,914,500        | 165,340,500                   | 20,287,341  | 362,631  | 185,990,472        | 2,523,263,081         | 2,910,168,053        |
| <b>Total comprehensive Income for the Quarter ended September 30, 2015</b> |                    |                               |   | <b>Rupees</b>  |                    |                       |                      |
| Profit after taxation  | -                  | -                             | -   | -  | -                  | 13,725,751            | 13,725,751           |
| Other comprehensive income / (loss)  | -                  | -                             | (17,533,934)  | 45,935   | (17,487,999)       | -                     | (17,487,999)         |
| Effect of items directly recorded in equity of Associated Companies        | -                  | -                             | (17,533,934)  | 45,935   | (17,487,999)       | 13,725,751            | (3,762,248)          |
| <b>Balance as at September 30, 2015 (Un-audited)</b>                       | <b>200,914,500</b> | <b>165,340,500</b>            | <b>2,753,407</b>  | <b>408,566</b>   | <b>168,502,473</b> | <b>2,536,509,935</b>  | <b>2,905,926,908</b> |
| Balance as at July 1, 2016 (Audited)                                       | 200,914,500        | 165,340,500                   | 33,091,982  | 1,502,539  | 199,935,021        | 2,566,684,682         | 2,967,534,203        |
| <b>Total comprehensive Income for the Quarter ended September 30, 2016</b> |                    |                               |   |  |                    |                       |                      |
| Profit after taxation  | -                  | -                             | -   | -  | -                  | (1,967,062)           | (1,967,062)          |
| Other comprehensive income / (loss)  | -                  | -                             | 18,579,098  | (17,759)   | 18,561,339         | -                     | 18,561,339           |
| Effect of items directly recorded in equity of Associated Companies        | -                  | -                             | 18,579,098  | (17,759)   | 18,561,339         | (1,967,062)           | 16,594,278           |
| <b>Balance as at September 30, 2016 (Un-audited)</b>                       | <b>200,914,500</b> | <b>165,340,500</b>            | <b>51,671,080</b>   | <b>1,484,780</b>   | <b>218,496,360</b> | <b>2,472,743,293</b>  | <b>2,892,154,153</b> |

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 QUARTER ENDED SEPTEMBER 30, 2016

#### 1. THE GROUP AND ITS OPERATIONS

- 1.1 The Group consists of SFL Limited (the Parent Company) and its wholly owned Subsidiary Company - SFL Corporation (Private) Limited.
- 1.2 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 Parent Company is located at 316 - Cotton Exchange Building, I.I. Chundrigar Road, Karachi. The main business of the Parent Company is to invest in the shares of Associated Companies and other business as per the Memorandum of Association of the Parent Company.
- 1.3 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 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 of the Group does not include all the information required for annual consolidated financial statements and therefore, should be read in conjunction with the audited annual consolidated financial statements of the Group as at and for the year ended June 30, 2016.

#### 3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of preceding audited annual published financial statements of the Group for the year ended June 30, 2016

#### 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 of the Group for the year ended June 30, 2016.

## Quarterly Accounts September 30, 2016

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

| 5. LONG TERM INVESTMENTS  | Note | Un-audited<br>September 30,<br>2016<br>Rupees | Audited<br>June 30,<br>2016<br>Rupees |
|---|------|---|---------------------------------------|
| <b>Associated Companies</b> Equity method   |      |   |                                       |
| <b>Unquoted</b>   |      |   |                                       |
| Sapphire Finishing Mills Limited (SFML)   |      |   |                                       |
| 25,809,000 (June 2016: 25,809,000) ordinary shares<br>of Rs.10 each - <b>cost</b> |      | 258,090,000                                   | 258,090,000                           |
| Equity held: 28.05% (June 30,2016: 28.05%)  |      |   |                                       |
| Share of post acquisition profit  |      | 910,516,747                                   | 897,330,871                           |
| Dividend received during the period / year  |      | -   | (30,970,800)                          |
|   |      | <b>1,168,606,747</b>                          | 1,124,450,071                         |
| Sapphire Dairies (Private) Limited (SDL)  |      |   |                                       |
| 7,000,000 (June 2016: 7,000,000) ordinary shares<br>of Rs.10 each - <b>cost</b>   |      | 70,000,000                                    | 70,000,000                            |
| Equity held: 6.67% (June 30 ,2016: 6.67%)   |      |   |                                       |
| Share of post acquisition losses  |      | (3,035,589)                                   | (1,311,112)                           |
|   |      | <b>66,964,411</b>                             | 68,688,888                            |
| Diamond Fabrics Limited (DFL)   |      |   |                                       |
| 4,569,000 (June 2016:4,569,000) ordinary shares<br>of Rs.10 each - <b>cost</b>    |      | 33,368,238                                    | 33,368,238                            |
| Equity held: 30.69% (June 30,2016: 30.69%)  |      |   |                                       |
| Share of post acquisition profit  |      | 1,170,602,151                                 | 1,180,840,402                         |
| Dividend received during the period / year  |      | -   | -                                     |
|   |      | <b>1,203,970,389</b>                          | 1,214,208,640                         |
| Amer Cotton Mills (Private) Limited (ACML)  |      |   |                                       |
| 336,000 (June 30, 2016: 336,000) ordinary<br>shares of Rs.10 each - <b>cost</b>   |      | 549,305                                       | 549,305                               |
| Equity held: 8.40% (June 30, 2016: 8.40%)   |      |   |                                       |
| Share of post acquisition profit  |      | 104,661,612                                   | 215,516,075                           |
| Dividend received during the period / year  |      | -   | -                                     |
|   |      | <b>105,210,917</b>                            | 216,065,380                           |
| Amer Tex (Private) Limited (ATL)  |      |   |                                       |
| 790,428 (June 2016: 790,428) ordinary shares<br>of Rs.10 each - <b>cost</b>       |      | 63,774,203                                    | 63,774,203                            |
| Equity held: 14.41% (June 30,2016: 14.41%)  |      |   |                                       |
| Share of post acquisition profit  |      | 68,928,907                                    | 73,952,011                            |
| Dividend received during the period / year  |      | -   | (5,532,996)                           |
|   |      | <b>132,703,110</b>                            | 132,193,218                           |
| <b>Quoted</b>   |      |   |                                       |
| Reliance Cotton Spinning Mills Limited (RCSML)                                    |      |   |                                       |
| 557,621 (2016: 557,621) ordinary shares<br>of Rs.10 each - <b>cost</b>            |      | 37,561,351                                    | 37,561,351                            |
| Equity held: 5.42% (June 30,2016 : 5.42%)   |      |   |                                       |
| Share of post acquisition profit  |      | 72,119,318                                    | 71,595,301                            |
| Dividend received during the period / year  |      | -   | (2,788,105)                           |
|   |      | <b>109,680,669</b>                            | 106,368,547                           |
|   |      | <b>2,787,136,243</b>                          | 2,861,974,744                         |

## Quarterly Accounts September 30, 2016

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2016

|                                  |  |               |                               | Un-Audited<br>September 30,<br>2016<br>Rupees | Audited<br>June 30 ,<br>2016<br>Rupees |
|----------------------------------|--|---------------|-------------------------------|---|--|
| <b>6. SHORT TERM INVESTMENTS</b> |  |               |                               |   |  |
|                                  | - At fair value through profit or loss |               |                               |   |  |
|                                  | <b>September 30, 2016</b>              | June 30, 2016 |                               |   |  |
|                                  | - (Number of units / shares) -         |               |                               |   |  |
|                                  |  |               | <b>Mutual funds</b>           |   |  |
|                                  | <b>197,114.35</b>                      | 197,114.35    | HBL Income Fund               | <b>21,076,353</b>                             | 20,912,610                             |
|                                  |  |               | <b>Listed company</b>         |   |  |
|                                  | <b>50,000</b>                          | 50,000        | Altern Energy Limited         | <b>1,861,000</b>                              | 1,832,500                              |
|                                  | <b>20,000</b>                          | 20,000        | The Hub Power Company Limited | <b>2,383,400</b>                              | 2,401,200                              |
|                                  |  |               |                               | <b>25,320,753</b>                             | 25,146,310                             |

#### 7. CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies as reported in note 10 to the audited annual consolidated financial statements of the Group for the year ended June 30, 2016.

There was no capital commitment as at September 30, 2016 and June 30, 2016.

#### 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 audited annual consolidated financial statements and should be read in conjunction with the Group's audited annual consolidated financial statement for the year ended June 30, 2016.

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 quarter ended September 30, 2016.

#### 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 31, 2016.

**Chief Executive**

**Director**

**BOOK POST**

**Under Postal Certificate**

**SFL LIMITED**

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