CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2017

(UN-AUDITED)

SFL LIMITED

SFL LIMITED

CONTENTS

COMPANY PROFILE

Board Of Directors

Chairman	:	Mr. Yousuf Abdullah
Chief Executive	:	Mr. Amer Abdullah
Director	:	Mr. Nadeem Abdullah Mr. Shahid Abdullah Mrs. Ambareen Amer Mr. Mohammad Yamin
Independent Director		Mr. Mazhar Saleem

Audit Committee

Chairman	:	Mr. Nadeem Abdullah
Member	:	Mr. Shahid Abdullah
Member	:	Mr. Mazhar Saleem

Humon Resourse & Remuneration Committee

Chairman	:	Mr. Shahid Abdullah
Member	:	Mr. Mazhar Saleem
Member	:	Mr. Mohammad Yamin
Chief Financial Officer	:	Mr. Jawwad Faisal
Secretary	:	Mr. Shaukat Mahmud
Auditors	:	Shinewing 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, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi.

Directors' Report to the Shareholders

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, 2017.

Review of Operations

During the period under review company earned dividend of Rs.122,500. Company incurred loss on sale of investments of Rs.286,085 and on change in fair value of investments of Rs.2,764,945. After charging administrative expenses of Rs.355,059 and provision for taxation of Rs.18,375 net loss after tax comes to Rs.3,301,964 for the quarter ended 30th September, 2017.

Earnings Per Share

The company's loss per share for the quarter ended 30th September, 2017 is Rs. (0.16) as compared to Loss Rs.(0.01) of correspondence period of last year.

Future Prospects

The operating assets of the company comprises of, investments in the shares of associated companies and other listed companies. Profitability of the company depends during the next quarter on the return on investments.

On behalf of the Board

Karachi
Dated: October 26, 2017

AMER ABDULLAH
CHIEF EXECUTIVE

ڈائریکٹر رپورٹ برائے حصص یافتگان

کمپنی کے ڈائریکٹران آپ کے سامنے نہایت مسرت کے ساتھ 30 ستمبر 2017ء کو اختتام پذیر ہونے والی سہ ماہی کی غیر آڈٹ شدہ تفصیلات پیش کررہے ہیں۔

کاروباری کارکردگی:

کمپنی کو اس سہ ماہی کے دوران ڈیویڈنڈ کی مد میں آمدنی 122,500 روپے حاصل ہوئی۔کمپنی کو انویسٹمنٹ کی فروخت میں 286,085 روپے اور سرمایہ کاری کی مناسب قدر میں تبدیلی کے نتیجے میں 2,764,945 روپے کا نقصان ہوا۔ تمام انتظامی اخراجات 355,059 روپے اور ٹیکس کی کٹوتی 18,375 روپے کے بعد کمپنی کا بعداز ٹیکس نقصان 3,301,964 روپے رہا۔

آمدنی فی حصص:

فی حصص کمپنی کا نقصان (0.16) روپے ہے۔گذشتہ سال اسی مدت کیلئے نقصان (0.01) روپے فی حصص تھی۔

مستقبل کا منظرنامہ:

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

منجانب بورڈ

کراچی۔

مورخہ 26 اکتوبر 2017ء

عامرعبداللہ

چیف ایگزیکٹیو

CONDENSED INTERIM BALANCE SHEET
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Note	Un-Audited Sep 30 2017 Rupees	Audited June 30 2017 Rupees
ASSETS			
Non current assets			
Investment property		**73,313,292**	73,313,292
Long term investments	5	**405,816,351**	403,816,351
Long term deposit		**37,500**	37,500
		479,167,143	477,167,143
Current assets			
Short term investments	6	**35,528,405**	42,537,024
Prepayments		**513,890**	-
Dividend Receivable		**-**	362,259
Taxation - net		**956**	955
Bank balances - current accounts		**13,242,722**	11,556,785
		49,285,972	54,457,023
Total assets		**528,453,115**	531,624,166
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized Capital 20,200,000 (June 30, 2017: 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, 2017: 20,091,450) ordinary shares of Rs. 10 each		**200,914,500**	200,914,500
Reserves		**165,340,500**	165,340,500
Unappropriated profit		**161,134,690**	164,436,654
Total equity		**527,389,690**	530,691,654
Current liabilities			
Accrued and other liabilities		**1,063,426**	932,512
Contingencies and commitments	7		
Total equity and liabilities		**528,453,115**	531,624,166

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

Chief Executive **Director**

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	September 30, 2017 Rupees	September 30, 2016 Rupees
Revenue		
Dividend income	**122,500**	116,500
Gain/ (Loss) on sale of investments	**(286,085)**	-
Change in fair value of investments at fair value through Profit/ (Loss)	**(2,764,945)**	174,443
	(2,928,530)	290,943
Administrative expenses	**355,059**	395,990
Profit/ (Loss) before taxation	**(3,283,589)**	(105,047)
Taxation	**18,375**	8,738
Profit/ (Loss) after taxation	**(3,301,964)**	(113,785)
Earnings/ (Loss) per share - basic and diluted	**(0.16)**	(0.01)

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

Chief Executive **Director**

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	September 30, 2017 Rupees	September 30, 2016 Rupees
Profit/(Loss) after taxation	**(3,301,964)**	(113,785)
Other comprehensive income	**-**	-
Total comprehensive Income/(Loss)	**(3,301,964)**	(113,785)

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

Chief Executive **Director**

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	September 30, 2017 Rupees	September 30, 2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(3,283,589)**	(105,047)
Adjustments for non-cash items:		
Dividend income	**(122,500)**	(116,500)
(Gain)/ Loss on sale of investments	**286,085**	-
Change in fair value of investments at fair value through Profit or (Loss)	**2,764,945**	(174,443)
	2,928,530	(290,943)
Operating loss before working capital changes	**(355,059)**	(395,990)
Changes in Working capital	**(20,717)**	(448,684)
Cash used in operations	**(375,776)**	(844,674)
Taxes paid	**(18,375)**	(9,038)
Net cash used in operating activities	**(394,151)**	(853,712)
CASH FLOWS FROM INVESTING ACTIVITIES		
Short term investments acquired	**(2,000,000)**	-
Short term investments redeemed	**3,957,589**	-
Dividend received	**122,500**	116,500
Net cash generated from investing activities	**2,080,089**	116,500
CASH USED IN FINANCING ACTIVITIES		
Dividend paid	**-**	(703)
Net increase/ (decrease) in cash and cash equivalents	**1,685,938**	(737,915)
Cash and cash equivalents - at beginning of the year	**11,556,785**	3,066,856
Cash and cash equivalents - at end of the year	**13,242,722**	2,328,941

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

Chief Executive **Director**

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY(UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Share capital	Reserve arisen upon de-merger	Unappro-priated profit	Total
	---------------------------- Rupees		----------------------------	
Balance as at July 01, 2016 (Audited)	200,914,500	165,340,500	151,757,230	518,012,230 47662.8
Total comprehensive loss for the quarter ended September 30, 2016			(113,785)	(113,785)
Balance as at september 30, 2016 (Un-Audited)	**200,914,500**	**165,340,500**	**151,643,445**	**517,898,445**
Balance as at July 01, 2017 (Audited)	200,914,500	165,340,500	164,436,654	530,691,654
Total comprehensive loss for the quarter ended September 30, 2017			(3,301,964)	(3,301,964)
Balance as at September 30, 2017 (Un-Audited)	**200,914,500**	**165,340,500**	**161,134,690**	**527,389,690**

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

Chief Executive **Director**

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

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, 2017.

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, 2017

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, 2017.

5. **LONG TERM INVESTMENTS**	**Un- Audited September 30, 2017 Rupees**	Audited June 30, 2017 Rupees
Subsidiary Company- at cost		
SFL Corporation (Private) Limited		
21,000 (2017: 1,000) ordinary shares of		
Rs.100 each - **cost**	**2,100,000**	100,000
Equity held: 100% (2017: 100%)		
Associated Companies- at cost	**403,716,351**	403,716,351
	405,816,351	403,816,351

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

6. SHORT TERM INVESTMENTS

- at fair value through profit or loss

September 30, 2017	June 30, 2017		Un- Audited September 30, 2017	Audited June 30, 2017
- (Number of units / shares) -			Rupees	Rupees
		Mutual funds		
-	41,401	MCB Pakistan Stock market Fund	-	4,243,674
		Listed companies		
20,000	20,000	Hub Power Company Limited	2,236,200	2,348,600
30,000	30,000	Engro Corporation Limited	9,092,700	9,777,300
200,000	200,000	Engro Fertilizer Limited	12,582,000	11,048,000
61,500	61,500	Bank Islami Pakistan Limited	766,905	817,950
240,000	240,000	Aisha Steel Limited	4,524,000	4,881,600
35,000	35,000	Habib Bank Limited	6,326,600	9,419,900
			35,528,405	42,537,024

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, 2017.

There was no capital commitment as at September 30, 2017 and June 30, 2017.

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, 2017.

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

9. TRANSACTIONS WITH RELATED PARTIES	Un- Audited September 30, 2017 Rupees	Audited June 30, 2017 Rupees
Equity Investment in 100% Subsidiary - SFL Corporation (Pvt) Limited	2,000,000	-

10. DATE OF AUTHORIZATION FOR ISSUE

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 26, 2017.

Chief Executive **Director**

SFL LIMITED
Consolidated Accounts

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Directors' Report to the Shareholders

On behalf of Board of Directors of Holding Company of SFL Corporation (Private) Limited, I am pleased to place before you the Directors' report together with the un-audited Consolidated Financial Statements of SFL Limited and its subsidiary for the quarter ended September 30, 2017.

SFL Corporation (Private) Limited

The Company was incorporated for the 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 26, 2017

AMER ABDULLAH
CHIEF EXECUTIVE

ڈائریکٹرز 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 2017ء کو اختتام پذیر ہونے والی سہ ماہی کی غیر آڈٹ شدہ یکجاتی 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 ایشن کی یادداشت میں دیئے گئے ہیں جن میں شامل ہے ان کمپنیوں کے حصص کا حصول اور خریداری جن کا مقصد کم و پیش اسی کمپنی جیسا ہے۔ کمپنی نے اپنے قائم ہونے کے بعد سے آج تک کوئی سرگرمی انجام نہیں دی ہے۔

منجانب بورڈ

عامر عبداللہ
چیف ایگزیکٹیو

کراچی۔
مورخہ 26 اکتوبر 2017ء

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 2017

	Note	Un-Audited September 30, 2017 Rupees	Audited June 30 , 2017 Rupees
ASSETS			
Non current assets			
Investment property		**73,313,292**	73,313,292
Long term investments	5	**2,673,060,956**	2,814,127,751
Long term deposit		**37,500**	37,500
		2,746,411,748	2,887,478,543
Current assets			
Short term investments	6	**35,528,405**	42,537,024
Prepayments		**513,890**	-
Dividend receivable		**-**	362,259
Taxation - Net		**956**	955
Bank balances - current accounts		**15,285,632**	11,620,215
		51,328,883	54,520,453
Total assets		**2,797,740,631**	2,941,998,996
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized Capital			
20,200,000 (June 30, 2017 :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, 2017 :20,091,450) ordinary shares of Rs.10 each		**200,914,500**	200,914,500
Reserves		**231,258,780**	231,258,780
Unappropriated profit		**2,352,438,444**	2,498,866,918
Total equity		**2,784,611,724**	2,931,040,198
Liablities			
Non current liabilities			
Defered taxation		**11,943,461**	9,901,286
Current liabilities			
Accrued and other liabilities		**1,185,446**	1,057,512
Total liabilities		**13,128,907**	10,958,798
Contingencies and commitments	7		
Total equity and liabilities		**2,797,740,631**	2,941,998,996

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

Chief Executive **Director**

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	September 30, 2017	September 30, 2016
	Rupees	Rupees
Revenue		
Dividend income	122,500	116,500
Gain/ (Loss) on sale of investments	(286,085)	-
Change in fair value of investments at fair value through Profit /(Loss)	(2,764,945)	174,443
	(2,928,530)	290,943
Administrative expenses	372,599	409,740
Profit /(Loss) from operations	(3,301,129)	(118,797)
Share of Profit/(Loss) of Associated Companies	29,168,229	(1,425,512)
Profit/ (Loss) before taxation	25,867,100	(1,544,309)
Taxation		
- Current Year	18,375	8,738
- Deferred	2,042,175	414,015
Taxation	2,060,550	422,753
Profit/ (Loss) after taxation	23,806,550	(1,967,062)
Earnings/ (Loss) per share - basic and diluted	1.18	(0.10)

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 COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	September 30, 2017	September 30, 2016
	Rupees	Rupees
Profit/ (Loss) after taxation	**23,806,550**	(1,967,062)
Other comprehensive income:		
Share of unrealized Gain/(Loss) on available for sale investments of Associated Companies	**(173,259,525)**	18,579,098
Share of unrealized (Loss)/Gain on hedging instruments of Associated Companies	**842**	(17,759)
	(173,258,683)	18,561,339
Total comprehensive Income/(Loss)	**(149,452,133)**	16,594,278

Chief Executive **Director**

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	September 30, 2017	September 30, 2016
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	25,867,100	(1,544,309)
Adjustments for non-cash items:		
Dividend Income	(122,500)	(116,500)
Gain/(Loss) on sale of investments	286,085	-
Change in fair value of investments at fair value through Profit or (Loss)	2,764,945	(174,443)
Share of Profit/(Loss) of Associates	(29,168,229)	1,425,512
	(26,239,699)	1,134,569
Operating loss before working capital changes	(372,599)	(409,740)
Changes in working capital	(23,697)	(444,934)
Cash used in operations	(396,296)	(854,674)
Taxes paid	(18,376)	(9,038)
Net cash used in operating activities	(414,672)	(863,712)
CASH INFLOW FROM INVESTING ACTIVITIES		
Dividend received	122,500	116,500
Short term investment redeemed	3,957,589	-
CASH USED IN FINANCING ACTIVITIES		
Dividend paid	-	(703)
Net increase/(decrease) in cash and cash equivalents	3,665,417	(747,915)
Cash and cash equivalents - at beginning of the Period	11,620,215	3,141,336
Cash and cash equivalents - at end of the period	15,285,632	2,393,421

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, 2017

	Share capital	Reserves				Unappro-priated profit	Total
		Reserve arisen upon de-merger	Share of unrealised gain on available for sale investments of Associated Companies	Share of unrealised gain / (loss) on hedging instruments of Associated Companies	Sub-total		
	---------- Rupees ----------						
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
Total comprehensive Income for the Quarter ended September 30,2016							
Profit after taxation	-	-	-	-	-	(1,967,062)	(1,967,062)
Other comprehensive income / (loss)	-	-	18,579,098	(17,759)	18,561,339	-	18,561,339
	-	-	18,579,098	(17,759)	18,561,339	(1,967,062)	16,594,278
Effect of items directly recorded in equity of Associated Companies	-	-	-	-	-	(91,974,328)	(91,974,328)
Balance as at September 30, 2016 (Un-audited)	**200,914,500**	**165,340,500**	**51,671,080**	**1,484,780**	**218,496,360**	**2,472,743,293**	**2,892,154,153**
Balance as at July 1, 2017 (Audited)	200,914,500	165,340,500	64,894,461	1,023,819	231,258,780	2,498,866,918	2,931,040,198
Total comprehensive Income for the Quarter ended September 30,2017							
Profit after taxation	-	-	-	-	-	23,806,550	23,806,550
Other comprehensive income / (loss)	-	-	(173,259,525)	842	(173,258,683)	-	(173,258,683)
	-	-	(173,259,525)	842	(173,258,683)	23,806,550	(149,452,133)
Effect of items directly recorded in equity of Associated Companies	-	-	-	-	-	3,023,659	3,023,659
Balance as at September 30, 2017 (Un-audited)	**200,914,500**	**165,340,500**	**(108,365,064)**	**1,024,661**	**58,000,097**	**2,525,697,127**	**2,784,611,724**

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, 2017

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, 2017.

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, 2017

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, 2017.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

5. LONG TERM INVESTMENTS	Note	Un-audited September 30, 2017 Rupees	Audited June 30, 2017 Rupees
Associated Companies - Equity method			
Unquoted			
Sapphire Finishing Mills Limited (SFML)			
25,809,000 (June 2017: 25,809,000) ordinary shares of Rs.10 each - **cost**		**258,090,000**	258,090,000
Equity held: 28.05% (June 30,2017: 28.05%)			
Share of post acquisition profit		**885,394,124**	985,526,785
Dividend received during the period / year		**-**	(33,551,700)
		1,143,484,124	1,210,065,085
Sapphire Dairies (Private) Limited (SDL)			
7,000,000 (June 2017: 7,000,000) ordinary shares of Rs.10 each - **cost**		**70,000,000**	70,000,000
Equity held: 6.36% (June 30 ,2017: 6.36%)			
Share of post acquisition losses		**(5,604,265)**	(2,031,594)
		64,395,735	67,968,406
Diamond Fabrics Limited (DFL)			
4,569,000 (June 2017:4,569,000) ordinary shares of Rs.10 each - **cost**		**33,368,238**	33,368,238
Equity held: 30.69% (June 30, 2017: 30.69%)			
Share of post acquisition profit		**1,072,285,889**	1,155,768,918
		1,105,654,127	1,189,137,156
Amer Cotton Mills (Private) Limited (ACML)			
336,000 (June 30, 2017: 336,000) ordinary shares of Rs.10 each - **cost**		**549,305**	549,305
Equity held: 8.40% (June 30, 2017: 8.40%)			
Share of post acquisition profit		**103,034,339**	107,058,586
		103,583,644	107,607,891
Amer Tex (Private) Limited (ATL)			
790,428 (June 2017: 790,428) ordinary shares of Rs.10 each - **cost**		**63,774,203**	63,774,203
Equity held: 14.41% (June 30, 2017: 14.41%)			
Share of post acquisition profit		**74,984,702**	67,498,078
Dividend received during the period / year		**-**	(8,694,708)
		138,758,905	122,577,573
Quoted			
Reliance Cotton Spinning Mills Limited (RCSML)			
557,621 (2017: 557,621) ordinary shares of Rs.10 each - **cost**		**37,561,351**	37,561,351
Equity held: 5.42% (June 30, 2017 : 5.42%)			
Share of post acquisition profit		**79,623,070**	81,998,394
Dividend received during the period / year		**-**	(2,788,105)
		117,184,421	116,771,640
		2,673,060,956	2,814,127,751

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

6. **SHORT TERM INVESTMENTS**

- At fair value through profit or loss

30-Sep-17	30-Jun-17		Un-audited September 30, 2017 Rupees	Audited June 30, 2017 Rupees
- (Number of units / shares) -				
		Mutual funds		
-	41,401	MCB Pakistan Stock market Fund	-	4,243,674
		Listed companies		
20,000	20,000	Hub Power Company Limited	**2,236,200**	2,348,600
30,000	30,000	Engro Corporation Limited	**9,092,700**	9,777,300
200,000	200,000	Engro Fertilizer Limited	**12,582,000**	11,048,000
61,500	61,500	Bank Islami Pakistan Limited	**766,905**	817,950
240,000	240,000	Aisha Steel Limited	**4,524,000**	4,881,600
35,000	35,000	Habib Bank Limited	**6,326,600**	9,419,900
			35,528,405	42,537,024

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, 2017.

There was no capital commitment as at September 30, 2017 and June 30, 2017.

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, 2017.

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

9. **TRANSACTIONS WITH RELATED PARTIES**

	Un-audited September 30, 2017 Rupees	Audited June 30, 2017 Rupees
Equity Investment in 100% Subsidiary - SFL Corporation (Pvt) Limited	**2,000,000**	-

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 26, 2017.

Chief Executive **Director**

BOOK POST

Under Postal Certificate

SFL LIMITED

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