

**CONDENSED INTERIM  
FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED  
DECEMBER 31, 2018  
(REVIEWED)**

**SFL LIMITED**

# SFL LIMITED

## CONTENTS

|  |           |
|--|-----------|
| <b>Company Profile</b>                   | <b>03</b> |
| <b>Directors' Report (English/Urdu)</b>  | <b>04</b> |
| <b>Auditors' Report</b>                  | <b>06</b> |
| <b>Statement of Financial Position</b>   | <b>07</b> |
| <b>Statement of Profit or Loss</b>       | <b>08</b> |
| <b>Statement of Comprehensive Income</b> | <b>09</b> |
| <b>Statement of Changes In Equity</b>    | <b>10</b> |
| <b>Statement of Cash Flows</b>           | <b>11</b> |
| <b>Notes to the Financial Statements</b> | <b>12</b> |

**COMPANY PROFILE****Board Of Directors**

|  |   |   |
|--|---|---|
| <b>Chairman</b>                                    | : | Mr. Yousuf Abdullah   |
| <b>Chief Executive</b>                             | : | Mr. Amer Abdullah   |
| <b>Director</b>                                    | : | Mr. Nadeem Abdullah<br>Mr. Shahid Abdullah<br>Mr. Mohammad Abdullah<br>Mr. Mohammad Yamin |
| <b>Independent Director</b>                        | : | Mr. Mazhar Saleem   |
| <b>Audit Committee</b>                             |   |   |
| <b>Chairman</b>                                    | : | Mr. Mazhar Saleem   |
| <b>Member</b>                                      | : | Mr. Shahid Abdullah   |
| <b>Member</b>                                      | : | Mr. Nadeem Abdullah   |
| <b>Human Resource &amp; Remuneration Committee</b> |   |   |
| <b>Chairman</b>                                    | : | Mr. Mazhar Saleem   |
| <b>Member</b>                                      | : | Mr. Shahid Abdullah   |
| <b>Member</b>                                      | : | Mr. Mohammad Yamin  |
| <b>Chief Financial Officer</b>                     | : | Mr. Jawwad Faisal   |
| <b>Secretary</b>                                   | : | Mr. Shaukat Mahmud  |
| <b>Auditors</b>                                    | : | Shinewing Hameed Chaudhri & Co<br>Chartered Accountants                                   |
| <b>Tax Consultants</b>                             | : | Mushtaq & Company<br>Chartered Accountants  |
| <b>Legal Advisor</b>                               | : | Mr. Saleem Ikram, Advocate  |
| <b>Bankers</b>                                     | : | Habib Bank Limited  |
| <b>Share Registrars</b>                            | : | THK Associates (Pvt) Ltd,<br>1st Floor, 40-C, Block-6, P.E.C.H.S.,<br>Karachi.            |
| <b>Registered Office</b>                           | : | 316, Cotton Exchange Building,<br>I.I.Chundrigar Road,<br>Karachi.                        |

## DIRECTOR'S REPORT TO THE SHAREHOLDERS

The Board of Directors of SFL Limited have pleasure in presenting their report together with un-audited Financials Statements of SFL limited for the half year ended December 31, 2018 duly reviewed by the External auditors, who have issued a Review Report, which is annexed to the Financial Statements.

### OPERATIONS

During the half year under consideration, the company earned dividend income of Rs. 5,714,537 Company incurred a loss on change in fair value of investments in funds of Rs. (4,726,775). After meeting administrative expenses of Rs. 1,476,216 and provision for taxation of Rs. 857,180 net loss after tax comes to Rs. (1,345,634).

### EARNINGS PER SHARE

The company's loss per share for the half year ended 31st December, 2018 is Rs. (0.07) as compared to Loss per share Rs. (0.18) of correspondence period of last year.

### DELISTING FROM PAKISTAN STOCK EXCHANGE

The Board of Directors of the Company in their meeting held on December 13, 2018, decided to delist the Company from PSX under the Voluntary Delisting Regulations of PSX. The intimation have been communicated to PSX and the Company has filed application with PSX on Jan 28, 2019.

### FUTURE OUTLOOK

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: February 26, 2019

**AMER ABDULLAH**  
CHIEF EXECUTIVE

**MOHAMMAD ABDULLAH**  
DIRECTOR

## ڈائریکٹر رپورٹ برائے حصص یافتگان

کمپنی کے ڈائریکٹران آپ کے سامنے نہایت مسرت کے ساتھ 31 دسمبر، 2018 کو اختتام پذیر ہونے والی ششماہی کی غیر آڈٹ شدہ مالیاتی تفصیلات پیش کر رہے ہیں، جس کا جائزہ حسب دستور بیرونی آڈیٹر نے لے کر اپنی جائزہ رپورٹ مالیاتی تفصیلات کے ساتھ منسلک کر دی ہے۔

### کاروباری کارکردگی

کمپنی کی اس ششماہی کے دوران ڈیویڈنڈ کی مد میں آمدنی 5,714,537 روپے تھی۔ کمپنی کو فنڈز میں سرمایہ کاری کی مناسب قدر میں تبدیلی کے نتیجے میں 4,726,775 روپے کا نقصان ہوا۔ اس ششماہی کے دوران 1,476,216 روپے کے تمام انتظامی اخراجات اور 857,180 روپے ٹیکس کی کٹوتی کے بعد کمپنی کا بعد از ٹیکس نقصان 1,345,634 روپے تھا۔

### آمدنی فی حصص

فی حصص کمپنی کا نقصان 0.07 روپے ہے، گزشتہ سال اسی مدت کیلئے نقصان 0.18 روپے فی حصص تھا۔

### پاکستان اسٹاک ایکسچینج سے اخراج

13,2018 دسمبر کو منعقد ہونے والے اجلاس میں کمپنی کے ڈائریکٹران نے ویلینٹری ڈی لسننگ ریگولیشنز آف پی ایس ایکس کے تحت کمپنی کو پی ایس ایکس سے خارج کرنے کا فیصلہ کیا ہے اس ضمن میں پی ایس ایکس سے بات کی گئی ہے اور کمپنی اس ضمن میں پی ایس ایکس کو 28 جنوری 2019 کو درخواست دے چکی ہے

### مستقبل کا منظر نامہ

کمپنی کے آپریننگ 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

محمد عبداللہ

عامر عبداللہ

ڈائریکٹر

چیف ایگزیکٹو

کراچی

تاریخ: 26 فروری 2019ء

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

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **SFL Limited** as at December 31, 2018 and the related condensed interim statement of profit or loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes forming part thereof for the half year then ended (herein-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income for the quarters ended December 31, 2018 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2018.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Raheel Ahmed.

Karachi :  
Dated : February 26, 2019

**SHINEWING HAMEED CHAUDHRI & CO.,**  
CHARTERED ACCOUNTANTS

# HALF YEARLY ACCOUNTS DECEMBER 31, 2018

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT DECEMBER 31, 2018

|   |      | (Un-audited)<br>December 31,<br>2018<br>Rupees | (Audited)<br>June 30,<br>2018<br>Rupees |
|---|------|--|---|
|   | Note |  |   |
| <b>ASSETS</b>   |      |  |   |
| <b>Non current assets</b>   |      |  |   |
| Long term investments   | 5    | 405,816,351                                    | 405,816,351                             |
| Long term deposit   |      | 37,500   | 37,500                                  |
|   |      | 405,853,851                                    | 405,853,851                             |
| <b>Current assets</b>   |      |  |   |
| Short term investments  | 6    | 30,016,150                                     | 34,742,925                              |
| Taxation - net  |      | 954  | 954                                     |
| Bank balances - current accounts  |      | 5,830,403                                      | 76,974,797                              |
|   |      | 35,847,507                                     | 111,718,676                             |
| <b>Total assets</b>   |      | <b>441,701,358</b>                             | <b>517,572,527</b>                      |
| <b>EQUITY AND LIABILITIES</b>   |      |  |   |
| <b>Share capital and reserves</b>   |      |  |   |
| Authorized capital<br>20,200,000 (June 30, 2018: 20,200,000) ordinary<br>shares of Rs.10 each                     |      | 202,000,000                                    | 202,000,000                             |
| Issued, subscribed and paid-up capital<br>20,091,450 (June 30, 2018: 20,091,450) ordinary<br>shares of Rs.10 each |      | 200,914,500                                    | 200,914,500                             |
| Capital reserve - arisen upon de-merger   |      | 165,340,500                                    | 165,340,500                             |
| Revenue reserve - unappropriated profit   |      | 73,592,676                                     | 74,938,310                              |
| <b>Total Equity</b>   |      | <b>439,847,676</b>                             | 441,193,310                             |
| <b>Current liabilities</b>  |      |  |   |
| Accrued and other liabilities   |      | 598,864  | 549,497                                 |
| Unclaimed dividend  |      | 1,254,818                                      | 486,782                                 |
| Unpaid dividend   |      | -  | 75,342,938                              |
| <b>Contingencies and commitments</b>  | 7    |  |   |
| <b>Total equity and liabilities</b>   |      | <b>441,701,358</b>                             | <b>517,572,527</b>                      |

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

Chief Executive

Director

Chief Financial Officer

# HALF YEARLY ACCOUNTS DECEMBER 31, 2018

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

|  | Quarter ended        |                      | Half year ended      |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | December 31,<br>2018 | December 31,<br>2017 | December 31,<br>2018 | December 31,<br>2017 |
| ----- (Rupees) -----   |                      |                      |                      |                      |
| <b>Revenue</b>   |                      |                      |                      |                      |
| Dividend income  | 5,679,537            | 1,806,432            | 5,714,537            | 1,928,932            |
| Loss on sale of investments  | -                    | (516,473)            | -                    | (802,558)            |
| Change in fair values of investments<br>at fair value through profit or loss | <b>(3,603,035)</b>   | (716,220)            | <b>(4,726,775)</b>   | (3,481,165)          |
|  | <b>2,076,502</b>     | 573,739              | <b>987,762</b>       | (2,354,791)          |
| Administrative expenses  | <b>1,023,474</b>     | 616,492              | <b>1,476,216</b>     | 971,551              |
| <b>Profit / (loss) before taxation</b>                                       | <b>1,053,028</b>     | (42,753)             | <b>(488,454)</b>     | (3,326,342)          |
| Taxation   | <b>851,930</b>       | 267,215              | <b>857,180</b>       | 285,590              |
| <b>Profit / (loss) after taxation</b>  | <b>201,098</b>       | (309,968)            | <b>(1,345,634)</b>   | (3,611,932)          |
| <b>Earnings / (loss) per share- basic<br/>and diluted</b>                    | <b>0.01</b>          | (0.02)               | <b>(0.07)</b>        | (0.18)               |

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

Chief Executive

Director

Chief Financial Officer



# HALF YEARLY ACCOUNTS DECEMBER 31, 2018

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

|  | Quarter ended        |                      | Half year ended      |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | December 31,<br>2018 | December 31,<br>2017 | December 31,<br>2018 | December 31,<br>2017 |
|  | ----- (Rupees) ----- |                      |                      |                      |
| <b>Profit / (loss) after taxation</b>          | <b>201,098</b>       | <b>(309,968)</b>     | <b>(1,345,634)</b>   | <b>(3,611,932)</b>   |
| Other comprehensive income                     | -                    | -                    | -                    | -                    |
| <b>Total comprehensive<br/>income / (loss)</b> | <b>201,098</b>       | <b>(309,968)</b>     | <b>(1,345,634)</b>   | <b>(3,611,932)</b>   |

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

Chief Executive

Director

Chief Financial Officer

# HALF YEARLY ACCOUNTS DECEMBER 31, 2018

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

|   | Half year ended                |                                |
|---|--------------------------------|--------------------------------|
|   | December 31,<br>2018<br>Rupees | December 31,<br>2017<br>Rupees |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                               |                                |                                |
| Loss before taxation  | (488,454)                      | (3,326,342)                    |
| <b>Adjustments for non-cash items:</b>                                    |                                |                                |
| Dividend income   | (5,714,537)                    | (1,928,932)                    |
| Loss on sale of investments   | -                              | 802,558                        |
| Change in fair values of investments at fair value through profit or loss | 4,726,775                      | 3,481,165                      |
| <b>Operating loss before working capital changes</b>                      | <b>(1,476,216)</b>             | <b>(971,551)</b>               |
| <b>Working capital changes</b>  |                                |                                |
| Increase in prepayments   | -                              | (395,773)                      |
| Increase in accrued and other liabilities                                 | 49,367                         | 216,264                        |
| <b>Cash used in operations</b>  | <b>(1,426,849)</b>             | <b>(1,151,060)</b>             |
| Taxes paid  | (857,180)                      | (285,590)                      |
| <b>Net cash used in operating activities</b>                              | <b>(2,284,029)</b>             | <b>(1,436,650)</b>             |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                               |                                |                                |
| Long term investment acquired   | -                              | (2,000,000)                    |
| Short term investments redeemed   | -                              | 5,789,716                      |
| Dividend received   | 5,714,537                      | 2,291,191                      |
| <b>Net cash generated from investing activities</b>                       | <b>5,714,537</b>               | <b>6,080,907</b>               |
| <b>CASH USED IN FINANCING ACTIVITIES</b>                                  |                                |                                |
| Dividend paid   | (74,574,902)                   | (15,010,408)                   |
| <b>Net decrease in cash and cash equivalents</b>                          | <b>(71,144,394)</b>            | <b>(10,366,151)</b>            |
| Cash and cash equivalents - at beginning of the period                    | 76,974,797                     | 11,556,785                     |
| <b>Cash and cash equivalents - at end of the period</b>                   | <b>5,830,403</b>               | <b>1,190,634</b>               |

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

Chief Executive

Director

Chief Financial Officer

# HALF YEARLY ACCOUNTS DECEMBER 31, 2018

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

|  | Issued,<br>subscribed<br>and paid-up<br>capital | Capital<br>reserve<br>arisen upon<br>de-merger | Revenue<br>reserve -<br>unappro-<br>priated<br>profit | Total              |
|--|---|--|---|--------------------|
| ----- Rupees -----   |   |  |   |                    |
| Balance as at July 1, 2017   | 200,914,500                                     | 165,340,500                                    | 164,436,654   | 530,691,654        |
| <b>Transaction with owners,<br/>recognised directly in equity</b>                      |   |  |   |                    |
| Cash dividend for the year ended<br>June 30, 2017 at the rate<br>of Re. 0.75 per share | -   | -  | (15,068,744)  | (15,068,744)       |
| <b>Total comprehensive income for the<br/>half year ended December 31, 2017</b>        |   |  |   |                    |
| Loss for the period  | -   | -  | (3,611,932)   | (3,611,932)        |
| Other comprehensive income   | -   | -  | -   | -                  |
|  | -   | -  | (3,611,932)   | (3,611,932)        |
| <b>Balance as at December 31, 2017</b>   | <b>200,914,500</b>                              | <b>165,340,500</b>                             | <b>145,755,978</b>                                    | <b>512,010,978</b> |
| Balance as at July 1, 2018   | 200,914,500                                     | 165,340,500                                    | 74,938,310  | 441,193,310        |
| <b>Total comprehensive income for the<br/>half year ended December 31, 2018</b>        |   |  |   |                    |
| Loss for the period  | -   | -  | (1,345,634)   | (1,345,634)        |
| Other comprehensive income   | -   | -  | -   | -                  |
|  | -   | -  | (1,345,634)   | (1,345,634)        |
| <b>Balance as at December 31, 2018</b>   | <b>200,914,500</b>                              | <b>165,340,500</b>                             | <b>73,592,676</b>                                     | <b>439,847,676</b> |

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

Chief Executive

Director

Chief Financial Officer

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2018****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 Pakistan Stock Exchange Limited (PSX). 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.

The Board of Directors of the Company in their meeting held on December 13, 2018, decided to delist the Company from PSX under the Voluntary Delisting Regulations of PSX. The intimation have been communicated to PSX.

**2. BASIS OF PREPARATION**

"These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:"

- International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provision of and directives issued under the Companies Act, 2017.

"Where the provision of and directives issues under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed."

These condensed interim financial statements have been subjected to limited scope review by the auditors, as required under section 237 of Companies Act, 2017 and should be read in conjunction with audited annual financial statements of the Company for the year ended June 30, 2018.

**3. ACCOUNTING POLICIES**

The significant accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2018.

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, 2018. These are 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 these condensed interim financial statements.

**4. ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment 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 the expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of these condensed interim financial statements, 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 of the Company for the year ended June 30, 2018.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

| 5. LONG TERM INVESTMENTS - at cost | (Un-audited)<br>December 31,<br>2018<br>Rupees | (Audited)<br>June 30,<br>2018<br>Rupees |
|------------------------------------|--|---|
| Investments in ordinary shares of  |  |   |
| - Subsidiary Company               | 2,100,000                                      | 100,000                                 |
| - Associated Companies             | 403,716,351                                    | 403,716,351                             |
|                                    | <b>405,816,351</b>                             | <b>403,816,351</b>                      |

### 6. SHORT TERM INVESTMENTS

- at fair value through profit or loss

| Un-audited<br>December 31,<br>2018<br>- (Number of shares) - | Audited<br>June 30,<br>2018 | Listed companies            | Un-audited<br>December 31,<br>2018<br>Rupees | Audited<br>June 30,<br>2018<br>Rupees |
|--|-----------------------------|-----------------------------|--|---------------------------------------|
| <b>240,000</b>   | 240,000                     | Aisha Steel Mills Limited   | <b>2,520,000</b>                             | 3,784,800                             |
| <b>61,500</b>  | 61,500                      | BankIslami Pakistan Limited | <b>738,000</b>                               | 734,925                               |
| <b>30,000</b>  | 30,000                      | Engro Corporation Limited   | <b>8,732,400</b>                             | 9,415,800                             |
| <b>200,000</b>   | 200,000                     | Engro Fertilizers Limited   | <b>13,810,000</b>                            | 14,982,000                            |
| <b>35,000</b>  | 35,000                      | Habib Bank Limited          | <b>4,215,750</b>                             | 5,825,400                             |
|  |                             |                             | <b>30,016,150</b>                            | <b>34,742,925</b>                     |

### 7. CONTINGENCIES AND COMMITMENTS

There was no known contingency and commitment as at December 31, 2018 and June 30, 2018.

### 8. FINANCIAL RISK MANAGEMENT

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

These condensed interim financial statements 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, 2018.

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.3,624,537 (December 31, 2017: Rs.836,432) received from Associated Company and dividend paid aggregating Rs.73,693,532 (December 31, 2017: Nil).

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

**10. GENERAL**

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

**10.2** These condensed interim financial statements have been authorized for issue by the Board of Directors of the Company on February 26, 2019.

**Chief Executive**

**Director**

**Chief Financial Officer**

# **SFL LIMITED**

## **Consolidated Accounts**

### **CONTENTS**

|  |           |
|--|-----------|
| <b>Directors' Report (English/Urdu)</b>  | <b>16</b> |
| <b>Statement of Financial Position</b>   | <b>18</b> |
| <b>Statement of Profit or Loss</b>       | <b>19</b> |
| <b>Statement of Comprehensive Income</b> | <b>20</b> |
| <b>Statement of Changes In Equity</b>    | <b>21</b> |
| <b>Statement of Cash Flows</b>           | <b>22</b> |
| <b>Notes to the Financial Statements</b> | <b>23</b> |

**DIRECTOR'S REPORT TO THE SHAREHOLDERS**

The Directors of the Holding Company of SFL Corporation (Private) Limited are pleased to place before you the Director's report together with the unaudited consolidated financial statements of SFL Limited and its subsidiary SFL Corporation (Private) Limited for the half year ended December 31, 2018.

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.

On behalf of the Board

Karachi  
Dated: February 26, 2019

**AMER ABDULLAH**  
CHIEF EXECUTIVE

**MOHAMMAD ABDULLAH**  
DIRECTOR



## ڈائریکٹر رپورٹ برائے حصص یافتگان

ایس ایف ایل کارپوریشن (پرائیویٹ) لمیٹڈ کی ہولڈنگ کمپنی کے ڈائریکٹر ان نہایت مسرت کے ساتھ ایس ایف ایل لمیٹڈ اور اس کے ماتحت ادارے ایس ایف ایل کارپوریشن (پرائیویٹ) لمیٹڈ کی 31 دسمبر 2018 کو اختتام پذیر ہونے والی ششماہی 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 ایشن 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۔

بورڈ کی جانب سے

محمد عبداللہ

عام عبداللہ

ڈائریکٹر

چیف ایگزیکٹو

کراچی

تاریخ: 26 فروری 2019ء

# HALF YEARLY ACCOUNTS DECEMBER 31, 2018

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2018

|   | (Un-audited)<br>December 31,<br>2018 | (Audited)<br>June 30,<br>2018 |
|---|--------------------------------------|-------------------------------|
| Note  | Rupees                               | Rupees                        |
| <b>ASSETS</b>   |                                      |                               |
| <b>Non current assets</b>   |                                      |                               |
| Long term investments   | 5    3,101,807,195                   | 2,882,864,951                 |
| Long term deposit   | 37,500                               | 37,500                        |
|   | <b>3,101,844,695</b>                 | <b>2,882,902,451</b>          |
| <b>Current assets</b>   |                                      |                               |
| Short term investments  | 6    30,016,150                      | 34,742,925                    |
| Taxation - net  | 954                                  | 954                           |
| Cash and bank balances  | 7,815,147                            | 79,064,541                    |
|   | <b>37,832,251</b>                    | <b>113,808,420</b>            |
| <b>Total assets</b>   | <b>3,139,676,946</b>                 | <b>2,996,710,871</b>          |
| <b>EQUITY AND LIABILITIES</b>   |                                      |                               |
| <b>Share capital and reserves</b>   |                                      |                               |
| Authorized capital<br>20,200,000 (June 30, 2018: 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, 2018: 20,091,450) ordinary<br>shares of Rs.10 each | <b>200,914,500</b>                   | 200,914,500                   |
| Reserves  | <b>(73,821,413)</b>                  | 47,944,813                    |
| Unappropriated Profit   | <b>2,995,170,807</b>                 | 2,657,249,704                 |
| <b>Total equity</b>   | <b>3,122,263,894</b>                 | 2,906,109,017                 |
| <b>Liabilities</b>  |                                      |                               |
| <b>Non current liabilities</b>  |                                      |                               |
| Deferred taxation   | <b>15,499,920</b>                    | 14,078,607                    |
| <b>Current liabilities</b>  |                                      |                               |
| Accrued and other liabilities   | <b>658,314</b>                       | 693,527                       |
| Unclaimed dividend  | <b>1,254,818</b>                     | 486,782                       |
| Unpaid dividend   | -                                    | 75,342,938                    |
|   | <b>1,913,132</b>                     | 76,523,247                    |
| <b>Total liabilities</b>  | <b>17,413,052</b>                    | 90,601,854                    |
| <b>Contingencies and commitments</b>  | 7                                    |                               |
| <b>Total equity and liabilities</b>   | <b>3,139,676,946</b>                 | <b>2,996,710,871</b>          |

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

Chief Executive

Director

Chief Financial Officer

# HALF YEARLY ACCOUNTS DECEMBER 31, 2018

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

|  | Quarter ended        |                      | Half year ended      |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | December 31,<br>2018 | December 31,<br>2017 | December 31,<br>2018 | December 31,<br>2017 |
|  | (Rupees)             |                      |                      |                      |
| <b>Revenue</b>   |                      |                      |                      |                      |
| Dividend income  | 2,055,000            | 970,000              | 2,090,000            | 1,092,500            |
| Mark-up on treasury bill   | -                    | -                    | -                    | 1,944                |
| Loss on sale of investments  | -                    | (516,473)            | -                    | (802,558)            |
| Change in fair values of investments<br>at fair value through profit or loss | (3,603,035)          | (716,220)            | (4,726,775)          | (3,481,165)          |
|  | (1,548,035)          | (262,693)            | (2,636,775)          | (3,189,279)          |
| Administrative expenses  | 1,037,644            | 628,612              | 1,496,636            | 1,001,211            |
| Loss from operations   | (2,585,679)          | (891,305)            | (4,133,411)          | (4,190,490)          |
| Share of profit of Associated Companies                                      | 282,933,971          | 116,790,684          | 341,054,512          | 145,958,913          |
| <b>Profit before taxation</b>  | 280,348,292          | 115,899,379          | 336,921,101          | 141,768,423          |
| Taxation   | 1,108,139            | 566,989              | 2,278,493            | 2,627,539            |
| <b>Profit after taxation</b>   | 279,240,153          | 115,332,390          | 334,642,608          | 139,140,884          |
| <b>Earnings per share - basic<br/>and diluted</b>                            | 13.90                | 5.74                 | 16.66                | 6.93                 |

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

Chief Executive

Director

Chief Financial Officer

# HALF YEARLY ACCOUNTS DECEMBER 31, 2018

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

|   | Quarter ended        |                      | Half year ended      |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | December 31,<br>2018 | December 31,<br>2017 | December 31,<br>2018 | December 31,<br>2017 |
|   | ----- (Rupees) ----- |                      |                      |                      |
| <b>Profit after taxation</b>  | <b>279,240,153</b>   | 115,332,390          | <b>334,642,608</b>   | 139,140,884          |
| <b>Other comprehensive (loss) / income</b>  |                      |                      |                      |                      |
| Share of fair value (loss) / gain on re-measurement of available-for-sale investments of Associated Companies | <b>(90,676,132)</b>  | (36,259,933)         | <b>(121,972,588)</b> | (209,519,458)        |
| Share of unrealised gain on re-measurement of hedging instruments of Associated Companies                     | <b>218,136</b>       | 66,925               | <b>206,362</b>       | 67,767               |
|   | <b>(90,457,996)</b>  | (36,193,008)         | <b>(121,766,226)</b> | (209,451,691)        |
| <b>Total comprehensive income / (loss) for the period</b>   | <b>188,782,157</b>   | 79,139,382           | <b>212,876,382</b>   | (70,310,807)         |

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

Chief Executive

Director

Chief Financial Officer

# HALF YEARLY ACCOUNTS DECEMBER 31, 2018

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

|  | Half year ended                |                                |
|--|--------------------------------|--------------------------------|
|  | December 31,<br>2018<br>Rupees | December 31,<br>2017<br>Rupees |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                              |                                |                                |
| Profit before taxation   | 336,921,101                    | 141,768,423                    |
| <b>Adjustments for non-cash items:</b>                                   |                                |                                |
| Dividend income  | (2,090,000)                    | (1,092,500)                    |
| Loss on sale of investments  | -                              | 802,558                        |
| Change in fair value of investments at fair value through profit or loss | 4,726,775                      | 3,481,165                      |
| Share of profit of Associated Companies                                  | (341,054,512)                  | (145,958,913)                  |
| <b>Operating loss before working capital changes</b>                     | <b>(1,496,636)</b>             | <b>(999,267)</b>               |
| <b>Working capital changes</b>   |                                |                                |
| Increase in prepayments  | -                              | (395,773)                      |
| Increase in accrued mark-up  | -                              | (1,944)                        |
| Decrease in dividend receivable  | -                              | 362,259                        |
| Increase / (decrease) in accrued and other liabilities                   | (35,213)                       | 273,740                        |
| <b>Cash used in operations</b>   | <b>(1,531,849)</b>             | <b>(760,985)</b>               |
| Taxes paid   | (857,180)                      | (285,590)                      |
| <b>Net cash used in operating activities</b>                             | <b>(2,389,029)</b>             | <b>(1,046,575)</b>             |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                              |                                |                                |
| T-bill acquired during the period  | -                              | (1,997,200)                    |
| Short term investments redeemed  | -                              | 5,789,716                      |
| Dividend received  | 5,714,537                      | 1,928,932                      |
| <b>Net cash generated from investing activities</b>                      | <b>5,714,537</b>               | <b>5,721,448</b>               |
| <b>CASH USED IN FINANCING ACTIVITIES</b>                                 |                                |                                |
| Dividend paid  | (74,574,902)                   | (15,068,744)                   |
| <b>Net (decrease) / increase in cash and cash equivalents</b>            | <b>(71,249,394)</b>            | <b>(10,393,871)</b>            |
| Cash and cash equivalents - at beginning of the half year                | 79,064,541                     | 11,620,215                     |
| <b>Cash and cash equivalents - at end of the half year</b>               | <b>7,815,147</b>               | <b>1,226,344</b>               |

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

Chief Executive

Director

Chief Financial Officer

# HALF YEARLY ACCOUNTS DECEMBER 31, 2018

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

|   | Reserves                               |                               |   |   | Sub-total           | Unappropriated profit | 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 |                     |                       |                      |
| ----- Rupees -----  |  |                               |   |   |                     |                       |                      |
| Balance as at July 1, 2017  | 200,914,500                            | 165,340,500                   | 64,894,461  | 1,023,819   | 231,258,780         | 2,498,866,918         | 2,931,040,198        |
| <b>Transaction with owners, recognized directly in equity</b>                   |  |                               |   |   |                     |                       |                      |
| Cash dividend for the year ended June 30, 2017 at the rate of Re.0.75 per share | -                                      | -                             | -   | -   | -                   | (15,068,744)          | (15,068,744)         |
| <b>Total comprehensive income for the half year ended December 31, 2017</b>     |  |                               |   |   |                     |                       |                      |
| Profit for the period   | -                                      | -                             | -   | -   | -                   | 139,140,884           | 139,140,884          |
| Other comprehensive (loss) / income   | -                                      | -                             | (209,519,458)   | 67,767  | (209,451,691)       | -                     | (209,451,691)        |
|   | -                                      | -                             | (209,519,458)   | 67,767  | (209,451,691)       | 139,140,884           | (70,310,807)         |
| Effect of items directly recorded in equity of Associated Companies             | -                                      | -                             | -   | -   | -                   | 3,019,026             | 3,019,026            |
| <b>Balance as at December 31, 2017</b>  | <b>200,914,500</b>                     | <b>165,340,500</b>            | <b>(144,624,997)</b>  | <b>1,091,586</b>  | <b>21,807,089</b>   | <b>2,625,958,084</b>  | <b>2,848,679,673</b> |
| Balance as at July 1, 2018  | 200,914,500                            | 165,340,500                   | (117,805,059)   | 409,372   | 47,944,813          | 2,657,249,704         | 2,906,109,017        |
| <b>Total comprehensive income for the half year ended December 31, 2018</b>     |  |                               |   |   |                     |                       |                      |
| Profit for the period   | -                                      | -                             | -   | -   | -                   | 334,642,608           | 334,642,608          |
| Other comprehensive (loss) / income   | -                                      | -                             | (121,972,588)   | 206,362   | (121,766,226)       | -                     | (121,766,226)        |
|   | -                                      | -                             | (121,972,588)   | 206,362   | (121,766,226)       | 334,642,608           | 212,876,382          |
| Effect of items directly recorded in equity of Associated Companies             | -                                      | -                             | -   | -   | -                   | 3,278,495             | 3,278,495            |
| <b>Balance as at December 31, 2018</b>  | <b>200,914,500</b>                     | <b>165,340,500</b>            | <b>(239,777,647)</b>  | <b>615,734</b>  | <b>(73,821,413)</b> | <b>2,995,170,807</b>  | <b>3,122,263,894</b> |

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

Chief Executive

Director

Chief Financial Officer

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

### 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 Pakistan Stock Exchange Limited. 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 (now the Companies Act, 2017). 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

These condensed interim consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provision of and directives issued under the Companies Act, 2017.

"Where the provision of and directives issues under the Companies Act, 2017 differ with therequirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed."

### 3. ACCOUNTING POLICIES

The significant accounting policies and the methods of computation adopted in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of audited annual consolidated financial statements of the group for the year ended June 30, 2018.

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, 2018. These are 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 these condensed interim consolidated financial statements.

### 4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim consolidated financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. 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 the expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of these condensed interim financial statements, 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 audited annual financial statements of the Group for the year ended June 30, 2018.

# HALF YEARLY ACCOUNTS DECEMBER 31, 2018

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

### 5. LONG TERM INVESTMENTS

|   | Un-audited<br>December 31,<br>2018<br>Rupees | Audited<br>June 30,<br>2018<br>Rupees |
|---|--|---------------------------------------|
| <b>Associated Companies- Equity method</b>  |  |                                       |
| <b>Unquoted</b>   |  |                                       |
| Sapphire Finishing Mills Limited (SFML)<br>25,809,000 (June 30, 2018: 25,809,000) ordinary<br>shares of Rs.10 each - <b>cost</b>  | <b>258,090,000</b>                           | 258,090,000                           |
| Equity held: 28.05% (June 30, 2018: 28.05%)   |  |                                       |
| Share of post acquisition profit  | <b>1,159,762,849</b>                         | 1,010,522,974                         |
|   | <b>1,417,852,849</b>                         | 1,268,612,974                         |
| Sapphire Dairies (Private) Limited (SDL)<br>7,000,000 (June 30, 2018: 7,000,000) ordinary shares<br>of Rs.10 each - <b>cost</b>   | <b>70,000,000</b>                            | 70,000,000                            |
| Equity held: 6.36% (June 30, 2018: 6.36%)   |  |                                       |
| Share of post acquisition losses  | <b>3,511,957</b>                             | 2,960,543                             |
|   | <b>73,511,957</b>                            | 72,960,543                            |
| Diamond Fabrics Limited (DFL)<br>4,569,000 (June 30, 2018: 4,569,000) ordinary shares<br>of Rs.10 each - <b>cost</b>              | <b>33,368,238</b>                            | 33,368,238                            |
| Equity held: 30.69% (June 30, 2018: 30.69%)   |  |                                       |
| Share of post acquisition profit  | <b>1,182,391,507</b>                         | 1,122,365,782                         |
|   | <b>1,215,759,745</b>                         | 1,155,734,020                         |
| Amer Cotton Mills (Private) Limited (ACML)<br>336,000 (June 30, 2018: 336,000) ordinary shares<br>of Rs.10 each - <b>cost</b>     | <b>549,305</b>                               | 549,305                               |
| Equity held: 8.40% (June 30, 2018: 8.40%)   |  |                                       |
| Share of post acquisition profit  | <b>108,219,024</b>                           | 115,710,304                           |
|   | <b>108,768,329</b>                           | 116,259,609                           |
| Amer Tex (Private) Limited (ATL)<br>790,428 (June 30, 2018: 790,428) ordinary shares<br>of Rs.10 each - <b>cost</b>               | <b>63,774,203</b>                            | 63,774,203                            |
| Equity held: 14.41% (June 30, 2018: 14.41%)   |  |                                       |
| Share of post acquisition profit  | <b>81,245,963</b>                            | 74,104,869                            |
| Dividend received during the period / year  | -  | -                                     |
|   | <b>145,020,166</b>                           | 137,879,072                           |
| <b>Quoted</b>   |  |                                       |
| Reliance Cotton Spinning Mills Limited (RCSML)<br>557,621 (June 30, 2018: 557,621) ordinary shares<br>of Rs.10 each - <b>cost</b> | <b>37,561,351</b>                            | 37,561,351                            |
| Equity held: 5.42% (June 30, 2018: 5.42%)   |  |                                       |
| Share of post acquisition profit  | <b>106,957,335</b>                           | 94,693,814                            |
| Dividend received during the period / year  | <b>(3,624,537)</b>                           | (836,432)                             |
|   | <b>140,894,149</b>                           | 131,418,733                           |
|   | <b>3,101,807,195</b>                         | 2,882,864,951                         |



## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

### 6. SHORT TERM INVESTMENTS

- at fair value through profit or loss

| Un-audited<br>December 31,<br>2018<br>- (Number of shares) - | Audited<br>June 30,<br>2018 | Listed companies            | Un-audited<br>December 31,<br>2018<br>Rupees | Audited<br>June 30,<br>2018<br>Rupees |
|--|-----------------------------|-----------------------------|--|---------------------------------------|
| 240,000  | 240,000                     | Aisha Steel Mills Limited   | 2,520,000                                    | 3,784,800                             |
| 61,500   | 61,500                      | BankIslami Pakistan Limited | 738,000                                      | 734,925                               |
| 30,000   | 30,000                      | Engro Corporation Limited   | 8,732,400                                    | 9,415,800                             |
| 200,000  | 200,000                     | Engro Fertilizers Limited   | 13,810,000                                   | 14,982,000                            |
| 35,000   | 35,000                      | Habib Bank Limited          | 4,215,750                                    | 5,825,400                             |
|  |                             |                             | <b>30,016,150</b>                            | <b>34,742,925</b>                     |

### 7. CONTINGENCIES AND COMMITMENTS

There was no known contingency and commitment as at December 31, 2018 and June 30, 2018.

### 8. FINANCIAL RISK MANAGEMENT

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

These condensed interim consolidated financial statements 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, 2018.

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

### 9. TRANSACTIONS WITH RELATED PARTIES

There are no transactions (other than disclosed in note 5) with related parties during the current period except for dividend paid aggregating to Rs.73,693,532.

### 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 February 26, 2019.

Chief Executive

Director

Chief Financial Officer

**BOOK POST**

Under Postal Certificate

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**SFL LIMITED**

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