

**CONDENSED INTERIM  
FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER  
ENDED MARCH 31, 2019**

**(Un-Audited)**

**SFL LIMITED**

# SFL LIMITED

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## COMPANY PROFILE

### Board Of Directors

<b>Chairman</b>	:	Mr. Yousuf Abdullah
<b>Chief Executive</b>	:	Mr. Amer Abdullah
<b>Director</b>	:	Mr. Nadeem Abdullah Mr. Shahid Abdullah Mr. Mohammad Abdullah 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 Chartered Accountants
<b>Tax Consultants</b>	:	Mushtaq & Company Chartered Accountants
<b>Legal Advisor</b>	:	Mr. Saleem Ikram, Advocate
<b>Bankers</b>	:	Habib Bank Limited
<b>Share Registrars</b>	:	THK Associates (Pvt) Ltd, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi.
<b>Registered Office</b>	:	316, Cotton Exchange Building, I.I.Chundrigar Road, 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 nine months ended March 31, 2019.

### **OPERATIONS**

During the nine months period, 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. (2,713,675). After meeting administrative expenses of Rs. 1,886,959 and provision for taxation of Rs. 857,180 net profit after tax comes to Rs. 256,722.

### **EARNINGS PER SHARE**

The company's earnings for nine months ended per share is Rs. 0.01 as compared to earnings per share Rs. 0.01 of corresponding period of last year.

### **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: April 29, 2019

**YOUSUF ABDULLAH**  
DIRECTOR

**MOHAMMAD ABDULLAH**  
DIRECTOR

## ڈائریکٹرز رپورٹ برائے حصص یافتگان

کمپنی کے ڈائریکٹران آپ کے سامنے نہایت مسرت کے ساتھ 31 مارچ، 2019 کو اختتام پذیر ہونے والی نو ماہ کی غیر آڈٹ شدہ مالیاتی تفصیلات پیش کر رہے ہیں۔

### کاروباری کارکردگی

رواں مالی سال کی نو ماہی میں کمپنی کی ڈیویڈنڈ کی مد میں آمدنی 5,714,537 روپے تھی۔ کمپنی کو فنڈز میں سرمایہ کاری کی مناسب قدر میں تبدیلی کے نتیجے میں (2,713,675) روپے کا نقصان ہوا۔ اس نو ماہی کے دوران 1,886,959 روپے کے تمام انتظامی اخراجات اور 857,180 روپے ٹیکس کی کٹوتی کے بعد کمپنی کا بعد از ٹیکس منافع 256,722 روپے تھا۔

### آمدنی فی حصص

فی حصص کمپنی کی آمدنی زیر نظر نو ماہی میں 0.01 روپے ہے، گذشتہ سال اسی مدت کیلئے آمدنی 0.01 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

یوسف عبداللہ

ڈائریکٹر

محمد عبداللہ

ڈائریکٹر

کراچی

تاریخ: 29 اپریل 2019ء

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)  
AS AT MARCH 31, 2019**

		(Un-audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
<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
		<b>405,853,851</b>	<b>405,853,851</b>
<b>Current assets</b>			
Short term investments	6	32,029,250	34,742,925
Short term deposits and prepayments		150,000	-
Taxation - net		954	954
Bank balances - current accounts		5,071,545	76,974,797
		<b>37,251,749</b>	<b>111,718,676</b>
<b>Total assets</b>		<b>443,105,600</b>	<b>517,572,527</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized capital			
20,200,000 (June 30, 2018: 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, 2018: 20,091,450) ordinary 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		75,195,033	74,938,310
<b>Total Equity</b>		<b>441,450,033</b>	<b>441,193,310</b>
<b>Current liabilities</b>			
Accrued and other liabilities		418,947	549,497
Unclaimed dividend		1,236,621	486,782
Unpaid dividend		-	75,342,938
<b>Contingencies and commitments</b>			
<b>Total equity and liabilities</b>	7	<b>443,105,600</b>	<b>517,572,527</b>

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

Director

Director

Chief Financial Officer

Statement Under Section 232(1) of the Companies Act, 2017

The Chief Executive Officer of the company is presently out of country, therefore these Financial Statements have been signed by the two directors of the company duly authorized by the Board of Directors.

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2019**

	Quarter ended		Nine Months Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	(Rupees)			
<b>Revenue</b>				
Dividend income	-	630,000	<b>5,714,537</b>	2,558,932
Gain/ (Loss) on sale of investments	-	-	-	(802,558)
Change in fair values of investments at fair value through profit or loss	<b>2,013,100</b>	3,653,335	<b>(2,713,675)</b>	172,170
	<b>2,013,100</b>	4,283,335	<b>3,000,862</b>	1,928,544
Administrative expenses	<b>387,944</b>	347,022	<b>1,886,959</b>	1,318,573
<b>Profit / (loss) before taxation</b>	<b>1,625,156</b>	3,936,313	<b>1,113,903</b>	609,971
Taxation	-	92,250	<b>857,180</b>	377,840
<b>Profit / (loss) after taxation</b>	<b>1,625,156</b>	3,844,063	<b>256,723</b>	232,131
<b>Earnings per share - basic and diluted</b>	<b>0.08</b>	0.19	<b>0.01</b>	0.01

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Director

Director

Chief Financial Officer

**Statement Under Section 232(1) of the Companies Act, 2017**

The Chief Executive Officer of the company is presently out of country, therefore these Financial Statements have been signed by the two directors of the company duly authorized by the Board of Directors.

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2019**

	Quarter ended		Nine Months Ended ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	----- (Rupees) -----			
<b>Profit / (loss) after taxation</b>	<b>1,625,156</b>	3,844,063	<b>256,723</b>	232,131
Other comprehensive income	-	-	-	-
<b>Total comprehensive income / (loss)</b>	<b>1,625,156</b>	3,844,063	<b>256,723</b>	232,131

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

**Director**

**Director**

**Chief Financial Officer**

**Statement Under Section 232(1) of the Companies Act, 2017**

The Chief Executive Officer of the company is presently out of country, therefore these Financial Statements have been signed by the two directors of the company duly authorized by the Board of Directors.



**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2019**

	Nine Months ended	
	March 31, 2019 Rupees	March 31, 2018 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,113,903	609,971
<b>Adjustments for non-cash items:</b>		
Dividend income	(5,714,537)	(2,558,932)
Loss on sale of investments	-	802,558
Change in fair values of investments at fair value through profit or loss	2,713,675	(172,170)
<b>Operating loss before working capital changes</b>	(1,886,959)	(1,318,573)
<b>Working capital changes</b>		
Increase in Short term deposit and prepayments	(150,000)	(197,887)
Increase /(Decrease) in accrued and other liabilities	(130,550)	309,477
<b>Cash used in operations</b>	(2,167,509)	(1,206,983)
Taxes paid	(857,180)	(377,840)
<b>Net cash used in operating activities</b>	(3,024,689)	(1,584,823)
<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	2,921,190
<b>Net cash generated from investing activities</b>	5,714,537	6,710,906
<b>CASH USED IN FINANCING ACTIVITIES</b>		
Dividend paid	(74,593,099)	(15,020,653)
<b>Net decrease in cash and cash equivalents</b>	(71,903,251)	(9,894,570)
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>	5,071,545	1,662,215

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

Director

Director

Chief Financial Officer

**Statement Under Section 232(1) of the Companies Act, 2017**

The Chief Executive Officer of the company is presently out of country, therefore these Financial Statements have been signed by the two directors of the company duly authorized by the Board of Directors.

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2019**

	Issued, subscribed and paid-up capital	Capital reserve arisen upon de-merger	Revenue reserve - unappropri- ated 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, recognised 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 Nine Months ended March 31, 2018</b>				
Profit for the period	-	-	232,131	232,131
Other comprehensive income	-	-	-	-
	-	-	232,131	232,131
<b>Balance as at March 31, 2018</b>	<b>200,914,500</b>	<b>165,340,500</b>	<b>149,600,040</b>	<b>515,855,040</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 Nine Months ended March 31, 2019</b>				
Profit for the period	-	-	256,723	256,723
Other comprehensive income	-	-	-	-
	-	-	256,723	256,723
<b>Balance as at March 31, 2019</b>	<b>200,914,500</b>	<b>165,340,500</b>	<b>75,195,033</b>	<b>441,450,033</b>

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

Director

Director

Chief Financial Officer

**Statement Under Section 232(1) of the Companies Act, 2017**

The Chief Executive Officer of the company is presently out of country, therefore these Financial Statements have been signed by the two directors of the company duly authorized by the Board of Directors.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2019**

**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 there 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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2019**

<b>5.</b>	<b>LONG TERM INVESTMENTS</b> - at cost	<b>(Un-audited)</b> <b>March 31,</b> <b>2019</b> <b>Rupees</b>	<b>(Audited)</b> <b>June 30,</b> <b>2018</b> <b>Rupees</b>
	Investments in ordinary shares of		
	- Subsidiary Company	<b>2,100,000</b>	2,100,000
	- Associated Companies	<b>403,716,351</b>	403,716,351
		<b>405,816,351</b>	405,816,351
<b>6.</b>	<b>SHORT TERM INVESTMENTS</b> - At fair value through profit or loss		
	<b>(Un-audited)</b> <b>(Audited)</b>	<b>(Un-audited)</b>	<b>(Audited)</b>
	<b>March 31,</b> <b>June 30,</b>	<b>March 31,</b>	<b>June 30,</b>
	<b>2019</b> <b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>- (Number of shares) -</b>	<b>Rupees</b>	<b>Rupees</b>
	<b>Listed companies</b>		
	<b>240,000</b> 240,000	<b>2,527,200</b>	3,784,800
	<b>61,500</b> 61,500	<b>738,000</b>	734,925
	<b>30,000</b> 30,000	<b>9,816,900</b>	9,415,800
	<b>200,000</b> 200,000	<b>14,310,000</b>	14,982,000
	<b>35,000</b> 35,000	<b>4,637,150</b>	5,825,400
		<b>32,029,250</b>	34,742,925

**7. CONTINGENCIES AND COMMITMENTS**

There was no known contingency and commitment as at March 31, 2019 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.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2019**

**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 (March 31, 2018: Rs.836,432) received from Associated Company and dividend paid aggregating Rs.73,693,532 (March 31, 2018: Nil).

**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 April 29, 2019.

**Director**

**Director**

**Chief Financial Officer**

**Statement Under Section 232(1) of the Companies Act, 2017**

The Chief Executive Officer of the company is presently out of country, therefore these Financial Statements have been signed by the two directors of the company duly authorized by the Board of Directors.



# **SFL LIMITED**

## **Consolidated Accounts**

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## **DIRECTOR'S REPORT TO THE SHAREHOLDERS**

The Directors of the Holding Company of SFL Corporation (Private) Limited are pleased to place before you the Director's report together with the unaudited consolidated financial statements of SFL Limited and its subsidiary SFL Corporation (Private) Limited for the nine months ended March 31, 2019.

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: April 29, 2019

**YOUSUF ABDULLAH**  
DIRECTOR

**MOHAMMAD ABDULLAH**  
DIRECTOR



## 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 31 مارچ، 2019 کو اختتام پذیر ہونے والی نو ماہ 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

یوسف عبداللہ  
ڈائریکٹر

محمد عبداللہ  
ڈائریکٹر

کراچی  
تاریخ: 29 اپریل 2019ء

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

		(Un-audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
<b>ASSETS</b>			
<b>Non current assets</b>			
Long term investments	5	3,369,103,737	2,882,864,951
Long term deposit		37,500	37,500
		<b>3,369,141,237</b>	<b>2,882,902,451</b>
<b>Current assets</b>			
Short term investments	6	33,977,130	34,742,925
Short term deposits and prepayments		150,000	-
Accrued markup on treasury bill		36,036	-
Taxation - net		954	954
Cash and bank balances		5,107,796	79,064,541
		<b>39,271,916</b>	<b>113,808,420</b>
<b>Total assets</b>		<b>3,408,413,153</b>	<b>2,996,710,871</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized capital			
20,200,000 (June 30, 2018: 20,200,000) ordinary shares of Rs.10 each		<b>202,000,000</b>	<b>202,000,000</b>
Issued, subscribed and paid-up capital			
20,091,450 (June 30, 2018: 20,091,450) ordinary shares of Rs.10 each		<b>200,914,500</b>	200,914,500
Reserves		<b>(7,502,350)</b>	47,944,813
Unappropriated Profit		<b>3,196,782,956</b>	2,657,249,704
<b>Total equity</b>		<b>3,390,195,106</b>	<b>2,906,109,017</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Deferred taxation		<b>16,499,279</b>	14,078,607
<b>Current liabilities</b>			
Accrued and other liabilities		482,147	693,527
Unclaimed Dividend		1,236,621	486,782
Unpaid Dividend		-	75,342,938
		<b>1,718,768</b>	<b>76,523,247</b>
<b>Total liabilities</b>		<b>18,218,047</b>	<b>90,601,854</b>
<b>Contingencies and commitments</b>	7		
<b>Total equity and liabilities</b>		<b>3,408,413,153</b>	<b>2,996,710,871</b>

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

Director

Director

Chief Financial Officer

**Statement Under Section 232(1) of the Companies Act, 2017**

The Chief Executive Officer of the company is presently out of country, therefore these Financial Statements have been signed by the two directors of the company duly authorized by the Board of Directors.

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2019**

	Quarter ended		Nine months ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	----- (Rupees) -----			
<b>Revenue</b>				
Dividend income	-	630,000	<b>5,714,537</b>	1,722,500
Markup on treasury bill	<b>36,036</b>	28,829	<b>36,036</b>	30,773
Gain/ (Loss) on sale of investments	-	-	-	(802,558)
Change in fair values of investments at fair value through profit or loss	<b>2,013,100</b>	3,653,335	<b>(2,713,675)</b>	172,170
	<b>2,049,136</b>	4,312,164	<b>3,036,898</b>	1,122,885
Administrative expenses	<b>(392,308)</b>	(350,771)	<b>(1,911,743)</b>	(1,351,982)
Profit/ (Loss) from operations	<b>1,656,828</b>	3,961,393	<b>1,125,155</b>	(229,097)
Share of profit of Associated Companies	<b>197,362,552</b>	60,932,802	<b>538,417,064</b>	206,891,715
<b>Profit/ (Loss) before taxation</b>	<b>199,019,380</b>	64,894,195	<b>539,542,218</b>	206,662,618
Taxation	<b>(999,359)</b>	(1,291,779)	<b>(3,277,852)</b>	(3,919,318)
<b>Profit/ (Loss) after taxation</b>	<b>198,020,021</b>	63,602,416	<b>536,264,366</b>	202,743,300
<b>Earnings per share - basic and diluted</b>	<b>9.86</b>	3.17	<b>26.69</b>	10.09

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

Director

Director

Chief Financial Officer

**Statement Under Section 232(1) of the Companies Act, 2017**

The Chief Executive Officer of the company is presently out of country, therefore these Financial Statements have been signed by the two directors of the company duly authorized by the Board of Directors.

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2019**

	Quarter ended		Nine months ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	----- (Rupees) -----			
<b>Profit/ (Loss) after taxation</b>	<b>198,020,021</b>	63,602,416	<b>536,264,366</b>	202,743,300
<b>Other comprehensive (loss) / income</b>				
Share of fair value gain/ (loss) on re-measurement of available- for-sale investments of Associated Companies	<b>66,375,332</b>	<b>123,571,404</b>	<b>(55,597,256)</b>	(85,948,054)
Share of unrealised gain/ (loss) on re-measurement of hedging instruments of Associated Companies	<b>(56,269)</b>	<b>25,277</b>	<b>150,093</b>	93,044
	<b>66,319,063</b>	123,596,681	<b>(55,447,163)</b>	(85,855,010)
<b>Total comprehensive income / (loss) for the period</b>	<b>264,339,084</b>	187,199,097	<b>480,817,203</b>	116,888,290

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

**Director**

**Director**

**Chief Financial Officer**

**Statement Under Section 232(1) of the Companies Act, 2017**

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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2019**

	<b>Nine months ended</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	<b>539,542,218</b>	206,662,618
<b>Adjustments for non-cash items:</b>		
Dividend income	<b>(5,714,537)</b>	(1,722,500)
Profit/ (Loss) on sale of investments	-	802,558
Change in fair value of investments at fair value through profit or (loss)	<b>2,713,675</b>	(172,170)
Share of profit of Associated Companies	<b>(538,417,064)</b>	(206,891,715)
<b>Operating loss before working capital changes</b>	<b>(1,875,707)</b>	(1,321,209)
<b>Working capital changes</b>		
Increase in prepayments	<b>(150,000)</b>	(197,887)
Increase in accrued markup	<b>(36,036)</b>	(30,773)
Decrease in dividend receivable	-	362,259
Increase / (decrease) in accrued and other liabilities	<b>(211,380)</b>	360,458
<b>Cash used in operations</b>	<b>(2,273,123)</b>	(827,152)
Taxes paid	<b>(857,180)</b>	(377,840)
<b>Net cash used in operating activities</b>	<b>(3,130,303)</b>	(1,204,992)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
T-bill acquired during the period	<b>(1,947,880)</b>	(1,997,200)
Short term investments redeemed	-	5,789,716
Dividend received	<b>5,714,537</b>	2,558,931
<b>Net cash generated from investing activities</b>	<b>3,766,657</b>	6,351,447
<b>CASH USED IN FINANCING ACTIVITIES</b>		
Dividend paid	<b>(74,593,099)</b>	(15,068,745)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(73,956,746)</b>	(9,922,290)
Cash and cash equivalents - at beginning of the half year	<b>79,064,541</b>	11,620,215
<b>Cash and cash equivalents - at end of the half year</b>	<b>5,107,796</b>	1,697,925

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

**Director**

**Director**

**Chief Financial Officer**

**Statement Under Section 232(1) of the Companies Act, 2017**

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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2019**

	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, recognised directly in equity</b>							
Cash dividend for the year ended June 30, 2017 at the rate of Re.0.75 per share	-	-	-	-	-	(15,068,745)	(15,068,745)
<b>Total comprehensive income for the nine months ended March 31, 2018</b>							
Profit for the period	-	-	-	-	-	202,743,300	202,743,300
Other comprehensive (loss) / income	-	-	(85,948,054)	93,044	(85,855,010)	-	(85,855,010)
Effect of items directly recorded in equity of Associated Companies	-	-	(85,948,054)	93,044	(85,855,010)	202,743,300	116,888,290
<b>Balance as at March 31, 2018</b>	<b>200,914,500</b>	<b>165,340,500</b>	<b>(21,053,593)</b>	<b>1,116,863</b>	<b>145,403,770</b>	<b>2,689,559,688</b>	<b>3,035,877,958</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 nine months ended March 31, 2019</b>							
Profit for the period	-	-	-	-	-	536,264,366	536,264,366
Other comprehensive (loss) / income	-	-	(55,597,256)	150,093	(55,447,163)	-	(55,447,163)
Effect of items directly recorded in equity of Associated Companies	-	-	(55,597,256)	150,093	(55,447,163)	536,264,366	480,817,203
<b>Balance as at March 31, 2019</b>	<b>200,914,500</b>	<b>165,340,500</b>	<b>(173,402,315)</b>	<b>559,465</b>	<b>(7,502,350)</b>	<b>3,196,782,956</b>	<b>3,390,195,106</b>

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

**Director**

**Director**

**Chief Financial Officer**

**Statement Under Section 232(1) of the Companies Act, 2017**

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2019**

**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. The address of it's registered office is 307, Cotton Exchange Building, I. I. Chundrigar Road, Karachi. The main business of the Subsidiary Company is to invest in the shares and other business activities as per Memorandum of Association.

**2. BASIS OF PREPARATION**

This condensed interim consolidated Financial information of the company for the period ended March 31, 2019 is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017. In the case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. This condensed interim consolidated Financial information does not include all the information required for annual Financial statements and therefore should be read in conjunction with the audited annual consolidated Financial statements of the Group for the year ended June 30, 2018.

**3. ACCOUNTING POLICIES**

The significant accounting policies and the methods of computation adopted in the preparation of this condensed interim consolidated financial information are consistent with those applied in the preparation of 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 this condensed interim consolidated financial information.

**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. 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 this condensed interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements of the Group for the year ended June 30, 2018.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2019**

	<b>Un-audited March 31, 2019 Rupees</b>	<b>Audited June 30, 2018 Rupees</b>
<b>5. LONG TERM INVESTMENTS</b>		
<b>Associated Companies- Equity method</b>		
<b>Unquoted</b>		
Sapphire Finishing Mills Limited (SFML) 25,809,000 (June 30, 2018: 25,809,000) ordinary 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%)	<b>1,368,918,816</b>	1,010,522,974
Share of post acquisition profit	-	-
Dividend received during the period / year	<b>1,627,008,816</b>	1,268,612,974
Sapphire Dairies (Private) Limited (SDL) 7,000,000 (June 30, 2018: 7,000,000) ordinary shares of Rs.10 each - <b>cost</b>	<b>70,000,000</b>	70,000,000
Equity held: 6.36% (June 30, 2018: 6.36%)	<b>8,385,781</b>	2,960,543
Share of post acquisition profit	<b>78,385,781</b>	72,960,543
Diamond Fabrics Limited (DFL) 4,569,000 (June 30, 2018: 4,569,000) ordinary shares of Rs.10 each - <b>cost</b>	<b>33,368,238</b>	33,368,238
Equity held: 30.69% (June 30, 2018: 30.69%)	<b>1,224,946,750</b>	1,122,365,782
Share of post acquisition profit	<b>1,258,314,988</b>	1,155,734,020
Amer Cotton Mills (Private) Limited (ACML) 336,000 (June 30, 2018: 336,000) ordinary shares of Rs.10 each - <b>cost</b>	<b>549,305</b>	549,305
Equity held: 8.40% (June 30, 2018: 8.40%)	<b>112,051,393</b>	115,710,304
Share of post acquisition profit	<b>112,600,698</b>	116,259,609
Amer Tex (Private) Limited (ATL) 790,428 (June 30, 2018: 790,428) ordinary shares of Rs.10 each - <b>cost</b>	<b>63,774,203</b>	63,774,203
Equity held: 42.08% (June 30, 2018: 42.08%)	<b>81,462,705</b>	74,104,869
Share of post acquisition profit	-	-
Dividend received during the period / year	<b>145,236,908</b>	137,879,072
<b>Quoted</b>		
Reliance Cotton Spinning Mills Limited (RCSML) 557,621 (June 30, 2018: 557,621) ordinary shares of Rs.10 each - <b>cost</b>	<b>37,561,351</b>	37,561,351
Equity held: 5.42% (June 30, 2018: 5.42%)	<b>113,619,732</b>	94,693,814
Share of post acquisition profit	<b>(3,624,537)</b>	(836,432)
Dividend received during the period / year	<b>147,556,546</b>	131,418,733
	<b>3,369,103,737</b>	2,882,864,951



**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2019**

			<b>Un-audited March 31, 2019 Rupees</b>	Audited June 30, 2018 Rupees
<b>6.</b>	<b>SHORT TERM INVESTMENTS</b>	<b>Note</b>		
	Investment at fair value through profit or loss	<b>6.1</b>	<b>32,029,250</b>	34,742,925
	Investment in Treasury Bill (T-bill)	<b>6.2</b>	<b>1,947,880</b>	-
			<b>33,977,130</b>	34,742,925

**6.1 Investment at fair value through profit or loss**

	<b>Un-audited March 31, 2019</b>	Audited June 30, 2018		<b>Un-audited March 31, 2019 Rupees</b>	Audited June 30, 2018 Rupees
<b>- (Number of units / shares) -</b>					
			<b>Listed companies</b>		
<b>240,000</b>	240,000		Aisha Steel Mills Limited	<b>2,527,200</b>	3,784,800
<b>61,500</b>	61,500		Bank Islami Pakistan Limited	<b>738,000</b>	734,925
<b>30,000</b>	30,000		Engro Corporation Limited	<b>9,816,900</b>	9,415,800
<b>200,000</b>	200,000		Engro Fertilizers Limited	<b>14,310,000</b>	14,982,000
<b>35,000</b>	35,000		Habib Bank Limited	<b>4,637,150</b>	5,825,400
				<b>32,029,250</b>	34,742,925

**6.2** This T-bill have maturity 77 days from date of acquisition and carries effective markup rate of 10.25% per annum.

**7. CONTINGENCIES AND COMMITMENTS**

There were no known contingency and commitment as at March 31, 2019 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).

This condensed interim consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statement as at June 30, 2018.

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

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2019**

**9. TRANSACTIONS WITH RELATED PARTIES**

There are no transactions with related parties during the current period except for dividend aggregating Rs. 3,624,537 (March 31, 2018: Rs. 836,432) received from Associated Companies and dividend paid aggregating Rs. Rs.73,693,532 (March 31, 2018: Nil).

**10. GENERAL**

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

**10.2** This condensed interim consolidated financial information has been authorized for issue by the Board of Directors of the Holding Company on April 29, 2019.

**Director**

**Director**

**Chief Financial Officer**

**Statement Under Section 232(1) of the Companies Act, 2017**

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