



ISLAND TEXTILE MILLS LIMITED

**Condensed Interim Financial Information
For The Six - Month Period Ended December 31, 2014**

ISLAND TEXTILE MILLS LIMITED

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ISLAND TEXTILE MILLS LIMITED

01

COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN:

Mr. Anwar Ahmed Tata

CHIEF EXECUTIVE :

Mr. Shahid Anwar Tata

DIRECTORS:

Mr. Adeel Shahid Anwar
Mr. Aijaz Ahmed Tariq
Mr. Bilal Shahid Anwar
Mr. Muhammad Naseem
Sheikh Kausar Ejaz

AUDIT COMMITTEE

CHAIRMAN:

Mr. Muhammad Naseem

MEMBERS:

Mr. Bilal Shahid Anwar
Sheikh Kausar Ejaz

SECRETARY

Mr. Owais Ahmed Abbasi

HUMAN RESOURCE & REMUNERATION COMMITTEE

CHAIRMAN:

Mr. Muhammad Naseem

MEMBERS:

Mr. Shahid Anwar Tata
Mr. Bilal Shahid Anwar

SECRETARY

Mr. Umar Khawajah

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER:

Mr. Farooq Advani

BANKERS:

Faysal Bank Limited
Bank Alfalah Limited
Meezan Bank Limited
The Bank of Punjab
MCB Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Allied Bank Limited
Summit Bank Limited
Askari Bank Limited
Pak Oman Investment Company Ltd.
NIB Bank Limited

AUDITORS:

M/s. M. Yousuf Adil Saleem & Co.

Chartered Accountants

LEGAL ADVISOR:

Ameen Bandukda & Co. Advocates

SHARE REGISTRAR:

Central Depository Company of Pakistan Limited
CDC House, 99 – B, Block 'B',
S.M.C.H.S., Main Shahra-e-Faisal

Tel# (Toll Free) 0800-CDCPL (23275)

Fax: (92-21) 34326053

REGISTERED OFFICE:

6th Floor Textile Plaza,
M.A Jinnah Road Karachi.
Tel # 32412955-3 Lines 32426761-2-4
Fax # 32417710

WEB SITE ADDRESS:

www.tatatex.com

E- MAIL ADDRESS:

itm.corporate@tatatex.com

MILLS:

A/12, S.I.T.E. Kotri District Jamshoro (Sindh)

DIRECTORS' REPORT**Assalam-o-Alaikum**

The Financial Statements of the Company for the half year ended **December 31, 2014**, is being presented to you.

During this Quarter the Company has made a pretax profit of Rs.0.287 Million, but due to carried forward losses from the last quarter, the overall Loss for the period is Rs.17.334 Million, however, this Quarter has been favourable as compared to the last Quarter. Globally, the commodity prices have kept on declining, like oil, gold and other commodities so Cotton prices have also followed the trend and prices have been on the decline so the Cotton Inventory that we normally carry to see us through the Cotton season was thus devalued and the losses suffered was on account of cotton prices coming down.

Cotton Situation

Globally declining trend of commodity prices continuously during the last 6 months have fallen to a considerable level. Our strategy for cotton purchase has been to keep buying Cotton scaled down and Alhamdulillah we are able to purchase cotton at reasonably good prices and the inventory that we carry, hopefully, will result in profit for us during the next 6 months.

Normally we procure cotton till August end but this year we have confined our purchases till end June / or till mid July, as we feel that things are still very uncertain and we really do not know if some major global development takes place. As far as Cotton is concerned, globally there is a very large surplus, however, if we consider the situation other than China, that is, rest of the world then supplies are not so bearish and market in our opinion will stabilize or improve from these levels.

Power Availability

The Oil Prices have reduced globally but unfortunately we are not getting any benefit on the same as the Tariff cost of power from Grid has not been reduced and SSGC curtails Gas once a week which effects the overall production.

Wage Increase

We support the Government incentive for increase of Wages and keeping in view the rise in present inflation, the Management has increased the Wages, inspite of the fact that our Textile Industry is facing high costs when we compare regionally with India, Sri Lanka, Bangladesh and Vietnam.

Global Textile Situation

The Indian Government is offering number of subsidies to its Textile Industry, in shape of Power Cost, Interest Subsidy and various incentives, like Exemption in Duties, with minimum Tariff barriers and also rebates on export & freight subsidies, which has put a negative impact on Pakistan Textile Industry in the form of import of Indian Yarn, resulting in shrinkage of our Textile Market share, locally as well as Internationally.

Fiber

The Fiber Prices are declining due to severe drop in oil prices internationally. However the local PSF Prices are not being reduced at similar pace and the Prices are still on a higher side, making it feasible for us to import Fiber instead of buying locally.

Going Forward

Our commitment to quality is very high; therefore most of our investments have remained in quality and product diversification. Process of establishing L/Cs for new Island Spinning unit Project has been completed and we are hopeful that the unit will become operational by the end financial year.

Acknowledgement

In the end, it is of utmost important to mention the untiring endeavors of our team members engaged in upholding their commitment for the company's success and growth. We also thank our bankers, vendors agents and clients for their consistent trust and support.

On behalf of the Board of Directors



SHAHID ANWAR TATA
Chief Executive

Karachi:
Date: February 25, 2015

Deloitte.

M. Yousuf Adil Saleem & Co
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Sharea Faisal,
Karachi-75350
Pakistan
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AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION**Introduction**

We have reviewed the accompanying condensed interim balance sheet of **ISLAND TEXTILE MILLS LIMITED** (the Company) as at **December 31, 2014**, the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six month period then ended (here-in-after referred to as "condensed interim financial information"). Management is responsible for the preparation and presentation of the condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2014 and 2013 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2014.

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 information 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 information as of and for the six month period ended December 31, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Engagement partner
Mushtaq Ali Hirani

Dated: February 25, 2015
Karachi

Member of
Deloitte Touche Tohmatsu Ltd.

ISLAND TEXTILE MILLS LIMITED

**CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2014**December 31,
2014June 30,
2014

Note

(Un-audited)

(Audited)

.....Rupees in '000'

ASSETS**NON-CURRENT ASSETS**

Property, plant and equipment

5

1,102,809

895,592

Intangible assets

2,873

3,433

Long term investments

294,974

302,018

Long term deposits

1,001

1,001

1,401,657

1,202,044

CURRENT ASSETS

Stores, spares and loose tools

19,747

17,871

Stock-in-trade

479,145

563,588

Trade debts

133,023

159,227

Loans and advances

128,103

101,474

Short term prepayments

2,793

467

Other receivables

409

5,068

Other financial assets

34,078

25,600

Sales tax refundable

23,449

9,529

Cash and bank balances

31,214

64,323

851,961

947,147

TOTAL ASSETS

2,253,618

2,149,191

EQUITY AND LIABILITIES

Share capital and reserves

6

1,285,304

1,300,878

Surplus on revaluation of
property, plant and equipment

445,657

453,126

NON-CURRENT LIABILITIES

Deferred liabilities

112,037

115,907

CURRENT LIABILITIES

Trade and other payables

262,019

247,658

Interest / mark-up accrued on borrowings

1,539

470

Short-term running finance

128,794

-

Taxation

18,268

31,152

410,620

279,280

CONTINGENCIES AND COMMITMENTS

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TOTAL EQUITY AND LIABILITIES

2,253,618

2,149,191

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.


SHAHID ANWAR TATA
 Chief Executive


ANWAR AHMED TATA
 Chairman/Director

ISLAND TEXTILE MILLS LIMITED
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**CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2014**

Note	Six-month period ended		Three-month period ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	Rupees in '000'			
Sales - net	1,113,583	970,225	496,130	511,430
Cost of goods sold	8 (1,072,110)	(802,476)	(474,009)	(440,926)
Gross profit	41,473	167,749	22,121	70,504
Distribution cost	(29,450)	(39,571)	(14,263)	(20,063)
Administrative expenses	(23,817)	(26,942)	(11,910)	(13,982)
Other operating expenses	(471)	(9,138)	(233)	(4,872)
Finance cost	(6,081)	(16,401)	(3,323)	(8,876)
	(59,819)	(92,052)	(29,729)	(47,793)
Share of (loss) / profit from associates - net of tax	(6,064)	18,048	1,942	5,808
Other income	7,076	25,171	5,953	23,023
	1,012	43,219	7,895	28,831
(Loss) / profit before taxation	(17,334)	118,916	287	51,542
Provision for taxation	9 (4,559)	(2,740)	(4,157)	5,429
(Loss) / profit after tax for the period	(21,893)	116,176	(3,870)	56,971
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss account</i>				
Unrealised gain / (loss) on remeasurement of investments				
- available-for-sale				
- Held by the Company	425	-	(1,576)	(5,795)
- Held by the Company - disposal	-	(15,548)	-	(15,548)
- Held by an associate proportionate share of investments	3	2	(6)	3
	428	(15,546)	(1,582)	(21,340)
<i>Items that will not be reclassified to profit or loss account</i>				
Remeasurement loss of defined benefit plan - net of deferred tax	-	(549)	-	(549)
Company's share in remeasurement loss on associates' defined benefit plan	-	(87)	-	(87)
- net of deferred tax	-	(636)	-	(636)
Other comprehensive income - net of tax	428	(16,182)	(1,582)	(21,976)
Total comprehensive income for the period	(21,465)	99,994	(5,452)	34,995
Earnings per share - Basic and diluted (Rupees)	(43.79)	232.35	(7.74)	113.94

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.


SHAHID ANWAR TATA
Chief Executive


ANWAR AHMED TATA
Chairman/Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2014

	December 31, 2014	December 31, 2013
Rupees in '000'.....	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(17,334)	118,916
Adjustments for		
Depreciation	21,113	20,373
Amortization	560	536
Provision for staff gratuity and compensated absences	6,667	4,370
Finance cost	6,081	16,401
Gain on disposal of property, plant and equipment	(1,794)	-
Share of loss / (profit) from associates - net of tax	6,064	(18,048)
Unrealized loss on forward contracts	-	2,846
Realized gain on disposal of financial assets	(4,086)	(24,656)
Operating cash flows before working capital changes	17,271	120,738
(Increase) / decrease in current assets		
Stores, spares and loose tools	(1,876)	(3,087)
Stock-in-trade	84,443	(540,156)
Trade debts	26,204	(18,831)
Loans and advances	(32,040)	(10,209)
Short-term prepayments	(2,326)	(1,739)
Other receivables	4,659	(458)
Sales tax refundable	(13,920)	867
Increase in current liabilities		
Trade and other payables	14,237	18,368
Net cash generated from / (used in) operations	96,652	(434,507)
Finance cost paid	(5,012)	(13,920)
Staff gratuity and compensated absences paid	(5,150)	(5,083)
Income taxes paid	(16,499)	(9,914)
Net cash generated from / (used in) operating activities	69,991	(463,424)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	984	1,602
Purchase of other financial assets	(138,967)	(134,100)
Proceeds from disposal of other financial assets	135,000	406,656
Additions to property, plant and equipment and capital work-in-progress	(228,939)	(25,158)
Proceeds from disposal of property, plant and equipment	2,403	-
Purchase of intangible assets	-	(133)
Net cash (used in) / generated from investing activities	(229,519)	248,867
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term finance repaid	-	(6,511)
Short term borrowings obtained	30,482	-
Dividend paid	(2,375)	(2,368)
Net cash generated from / (used in) financing activities	28,107	(8,879)
Net decrease in cash and cash equivalents (A+B+C)	(131,421)	(223,436)
Cash and cash equivalents at July 01	64,323	85,227
Cash and cash equivalents at December 31	(67,098)	(138,209)
CASH AND CASH EQUIVALENT		
Cash and bank balances	31,214	31,532
Short term running finance	(98,312)	(169,741)
	(67,098)	(138,209)

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.


SHAHID ANWAR TATA
 Chief Executive


ANWAR AHMED TATA
 Chairman/Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2014**

	Issued, subscribed and paid up capital	Reserves					Total
		General reserve	Other reserve	Unrealized (loss)/gain on value of investment available-for-sale Rupees in '000'	Company's share in other comprehensive income of associates	Unappropriated profit	
Balance at July 01, 2013 - restated	5,000	900,000	591	15,548	(637)	279,566	1,200,068
Profit after taxation for the six month period ended December 31, 2013	-	-	-	-	-	116,176	116,176
Other comprehensive income							
Unrealized loss on remeasurement of investments available-for-sale held by the company	-	-	-	(15,548)	-	-	(15,548)
Company's share in unrealised gain on remeasurement of associates' investments - net of deferred tax	-	-	-	-	2	-	2
Remeasurement loss of defined benefit plan - net of deferred tax	-	-	-	-	-	(549)	(549)
Company's share in remeasurement gain on associates' defined benefit plan - net of deferred tax	-	-	-	-	(87)	-	(87)
Other comprehensive income	-	-	-	(15,548)	(85)	(549)	(16,182)
Total comprehensive income for the period	-	-	-	(15,548)	(85)	115,627	99,994
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax:							
- Own	-	-	-	-	-	7,068	7,068
- Company's share in associates	-	-	-	-	-	1,937	1,937
	-	-	-	-	-	9,005	9,005
Transactions with owners							
Final cash dividend for the year ended June 30, 2013 @ Rs. 10 per share	-	-	-	-	-	(2,500)	(2,500)
Balance at December 31, 2013 - restated	5,000	900,000	591	-	(722)	401,698	1,306,567

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2014**

OR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2014

	Issued, subscribed and paid up capital	General reserve	Other reserve	Reserves Unrealized (loss)/gain on value of investment available-for-sale Rupees in '000'	Company's share in other comprehensive income of associates	Unappropriated profit	Total
Loss after taxation for the six month period ended June 30, 2014				-	-	(13,773)	(13,773)
Other comprehensive income							
Unrealized gain on remeasurement of investments available-for-sale held by the company	-	-	-	298	-	-	298
Company's share in unrealised gain on remeasurement of associates' investments - net of deferred tax	-	-	-	-	17	-	17
Remeasurement loss of defined benefit plan - net of deferred tax	-	-	-	-	-	(1,523)	(1,523)
Company's share in remeasurement gain on associates' defined benefit plan - net of deferred tax	-	-	-	-	(264)	-	(264)
Other comprehensive income	-	-	-	298	(247)	(1,523)	(1,472)
Total comprehensive income for the period	-	-	-	298	(247)	(15,296)	(15,245)
Transfer from surplus on revaluation of property, plant and equipment on account of:							
-Incremental depreciation - net of deferred tax:							
- Own	-	-	-	-	-	6,446	6,446
- Company's share in associates	-	-	-	-	-	2,795	2,795
-Disposal-net of deferred tax - Own	-	-	-	-	-	315	315
	-	-	-	-	-	9,556	9,556
Balance at June 30, 2014	5,000	900,000	591	298	(969)	395,958	1,300,878
Loss after taxation for the six month period ended December 31, 2014	-	-	-	-	-	(21,893)	(21,893)
Other comprehensive income							
Unrealised gain on remeasurement of investments available-for-sale held by the Company	-	-	-	425	-	-	425
Company's share in unrealised gain on remeasurement of associates' investments - net of deferred tax	-	-	-	-	3	-	3
Other comprehensive income	-	-	-	425	3	-	428
Total comprehensive income for the period	-	-	-	425	3	(21,893)	(21,465)
Transfer from surplus on revaluation of property, plant and equipment on account of:							
-Incremental depreciation - net of deferred tax:							
- Own	-	-	-	-	-	6,435	6,435
- Company's share in associates	-	-	-	-	-	1,953	1,953
-Disposal-net of deferred tax	-	-	-	-	-	3	3
-Company's share in associates	-	-	-	-	-	8,391	8,391
Transactions with owners							
Final cash dividend for the year ended June 30, 2014 @ Rs. 5 per share	-	-	-	-	-	(2,500)	(2,500)
Balance at December 31, 2014	5,000	900,000	591	723	(966)	379,956	1,285,304

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.


SHAHID ANWAR TATA
Chief Executive


ANWAR AHMED TATA
Chairman/Director

**SELECTED EXPLANATORY NOTES TO THE
CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2014****1. LEGAL STATUS AND NATURE OF BUSINESS**

Island Textile Mills Limited (the Company) was incorporated in Pakistan on May 20, 1970 as a public company limited by shares under the Companies Act, 1913 as repealed by the Companies Ordinance, 1984 and listed on Karachi Stock Exchange. The registered office of the Company is situated at 6th floor, Textile Plaza, M.A. Jinnah Road, Karachi in the province of Sindh. The principal activity of the Company is manufacturing and sale of yarn. The Company's manufacturing facilities are located at Kotri Industrial Estate in the province of Sindh.

2. BASIS OF PREPARATION

- 2.1** This condensed interim financial information of the Company for the six month period ended December 31, 2014 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 Ordinance, 1984. In case where 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 of the information required for the full financial statements and these should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2014.
- 2.2** This condensed interim financial information has been prepared under 'historical cost convention' modified by:
- certain items of property, plant and equipment which have been included at revalued amounts;
 - investment in associate under equity method;
 - financial instruments at fair value; and
 - recognition of certain staff retirement benefits at present value.
- 2.3** This condensed interim financial information is presented in Pak Rupees which is also the Company's functional currency and figures presented in this condensed interim financial information have been rounded off to the nearest thousand rupee.
- 2.4** This condensed interim financial information is un-audited. However, a limited scope review of this condensed interim financial information has been performed by the external auditors of the Company in accordance with the requirements of clause (xix) of the Code of Corporate Governance and they have issued their review report thereon. These condensed interim financial information is being submitted to shareholders as required by section 245 of Companies Ordinance, 1984.
- 2.5** The comparative balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2014, whereas comparative condensed profit and loss account, condensed cash flow information and condensed statement of changes in equity are stated from the un-audited condensed interim financial information for the six month ended December 31, 2013.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, estimates, judgments and methods of computation followed in the preparation of this condensed interim financial information are the same as those applied in the preparation of the published annual audited financial statements for the year ended June 30, 2014.

4. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2014.

ISLAND TEXTILE MILLS LIMITED

		December 31, 2014 (Un-audited)	June 30, 2014 (Audited)
	NotesRupees in '000'.....	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	804,388	786,433
Capital work-in-progress		298,421	109,159
		<u>1,102,809</u>	<u>895,592</u>

5.1 Following additions, transfers and disposals in operating fixed assets were made:

	Additions/ Transfer from CWIP	Disposal (W.D.V)	Sales Proceeds
Rupees in '000'.....		

During the period ended December 31, 2014 (Unaudited)

Building on leasehold land - Mills	6,780	-	-
Building on leasehold land - Other	16,544	-	-
Plant and machinery	13,886	-	-
Vehicles	277	609	2,403
Computer equipment	590	-	-
Factory equipment	1,539	-	-
Furniture and fixtures	61	-	-
	<u>39,677</u>	<u>609</u>	<u>2,403</u>

During the year ended June 30, 2014 (Audited)

Building on leasehold land - Mills	24,540	-	-
Building on leasehold land - Other	1,660	-	-
Plant and machinery	18,664	1,487	2,470
Factory equipment	2,167	-	-
Computer equipment	334	-	-
Furniture and fixtures	2,807	-	-
Office equipment	1,261	-	-
Vehicles	1,802	185	565
	<u>53,235</u>	<u>1,672</u>	<u>3,035</u>

6. SHARE CAPITAL AND RESERVES

	December 31, 2014 (Un-audited)	June 30, 2014 (Audited)
Rupees in '000'.....	
Authorised		
1,000,000 Ordinary shares of Rs. 10 each	10,000	10,000
Issued, subscribed and paid-up		
500,000 ordinary shares of Rs.10 each	5,000	5,000
Capital reserves		
-General reserve	900,000	900,000
-Other reserve	591	591
-Company's share in other comprehensive income of associates	(966)	(969)
-Unrealized gain in value of investments available for sale	723	298
-Unappropriated profit	379,956	395,958
	<u>1,285,304</u>	<u>1,300,878</u>

7. CONTINGENCIES AND COMMITMENTS**7.1 Contingencies**

There is no change in contingencies as disclosed in the financial statements for the year ended June 30, 2014.

7.2 Commitments

	Notes	December 31, 2014 (Un-audited)	June 30, 2014 (Audited)
.....Rupees in '000'.....			
Letters of credit for			
-Raw material		200,200	24,853
-Spares and machinery		1,934,860	2,010,739
Bank guarantees	7.2.1	65,676	53,453
Bills discounted		73,943	31,423
Outstanding sales contracts		26,857	52,821
Forward contract		-	206,520

7.2.1 This includes bank guarantee related to infrastructure cess amounting for Rs. 50.90 million (June 30, 2014: Rs. 39.10 million) for which provision amounting to Rs. 32.10 million (June 30, 2014: Rs. 32.06 million) has been made.

8. COST OF GOODS SOLD

		Six-month period ended		Three-month period ended	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Note	Un-audited.....			
	Rupees in '000'.....			
Opening finished goods		257,986	47,594	163,298	151,978
Cost of goods manufactured	8.1	903,445	935,416	444,233	469,482
		1,161,431	983,010	607,531	621,460
Closing finished goods		(133,522)	(180,534)	(133,522)	(180,534)
Cost of manufactured goods sold		1,027,909	802,476	474,009	440,926
Cost of raw material sold		44,201	-	-	-
Cost of goods sold		1,072,110	802,476	474,009	440,926

8.1 Cost of goods manufactured

Raw material	8.1.1	631,213	716,792	298,457	359,178
Stores and spares		27,614	13,199	14,840	5,422
Packing material		13,967	13,270	7,272	6,802
Fuel and power		125,837	106,803	61,905	59,515
Salaries, wages and benefits		72,458	60,786	38,298	30,135
Depreciation		18,580	17,342	9,475	8,753
Insurance		2,033	2,475	875	886
Repairs and maintenance		3,499	3,028	1,966	2,021
Other overheads		4,482	4,001	2,194	2,328
		899,683	937,696	435,282	475,040

Work-in-process

Opening stock	12,260	16,060	17,449	12,782
Closing stock	(8,498)	(18,340)	(8,498)	(18,340)
	3,762	(2,280)	8,951	(5,558)
	903,445	935,416	444,233	469,482

8.1.1 RAW MATERIAL CONSUMED

	Note	Six-month period ended		Three-month period ended	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	Un-audited.....			
	Rupees in '000'.....			
Opening stock		293,342	286,721	190,259	374,897
Purchases - net		674,995	1,121,727	445,322	675,937
		968,337	1,408,448	635,581	1,050,834
Closing stock	8.2	(337,124)	(691,656)	(337,124)	(691,656)
		631,213	716,792	298,457	359,178

8.2 Net realisable value of finished goods was lower than its cost resulted in write down of Rs. 3.34 million (December 31, 2013: Rs. 0.35 million) charged to cost of goods sold.

9. TAXATION

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemption available, if any. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

10. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies / undertakings and key management personnel. The transactions between the Company and the related parties are carried out as per agreed terms. Significant transactions with related parties are as follows:

Relationship with the party	Nature of transactions	Six-month period ended	
		December 31, 2014 (Un-audited)	December 31, 2013 (Un-audited)
		...Rupees in '000'...	
Associated undertakings	Share of expense received	1,367	2,141
	Share of expense paid	2,706	4,899
	Purchase of electricity	118,379	98,522
	Purchase of machinery	1,600	-
	Sale of cotton	41,272	-
	Dividend received	984	1,602
Key management personnel	Short-term benefits	12,887	8,352
Directors	Short-term benefits	1,750	2574
	Directors meeting fee	60	55
	Rent	1,732	1,732

11. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 25, 2015 by the Board of Directors of the Company.


SHAHID ANWAR TATA
 Chief Executive


ANWAR AHMED TATA
 Chairman/Director

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