



ISLAND TEXTILE MILLS LIMITED

**Condensed Interim Financial Information
For The Nine - Month Period Ended March 31, 2014**

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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**HUMAN RESOURCE & REMMUNERATION
COMMITTEE**

CHAIRMAN: Mr. Muhammad Naseem

MEMBERS: Mr. Shahid Anwar Tata
Mr. Bilal Shahid Anwar**COMPANY SECRETARY &
CHIEF FINANCIAL OFFICER:**

Mr. Farooq Advani

BANKERS:Faysal Bank Limited
Bank Alfalah Limited
The Bank of Punjab
Meezan Bank Limited
MCB Bank Limited
National Bank of Pakistan
Soneri Bank Limited
JS 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, Karachi.
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 (un-audited) of the company for the 3rd Quarter ended on 31st March 2014 are being presented to you.

The company has earned an up to date pre-tax profit of Rs.136.90 million for the nine months period of the current financial year, however, in the third quarter the company is only able to made a pre-tax profit of Rs. 17.98 million.

The spinning industry is being faced with a difficult situation due to the following reasons:

In order to buy quality cotton, we have no choice available other than to buy it during the Pakistani cotton season which starts from August and ends till December. During that buying period, the average dollar rate remained Rs. 106 and when we were converting the local price parity with international prices, we took Rs. 106 as a parity price and then sudden revaluation of Pak rupee by more than 10% in just a short span of time has render us loss with our inventories of cotton. Exchange rate uncertainty still looms large, and since we usually buy cotton for a very long term, therefore we have cotton stocks available with us till August end.

It must further be noted that when the average dollar rate was Rs. 98 and devaluation of rupee started then immediately the government decided to increase power tariffs from Rs. 9.5 to Rs. 16.5, minimum wage rate was also revised from Rs.8000 to Rs. 10,000, transportation cost, oil, packing material & spare parts became expensive and similarly there were other cost pushups, now if the government wants industry to flourish and run smoothly, it should bring all these prices down otherwise it is simply a recipe for disaster of this industry.

Two-third of world cotton stocks are lying with China and still an uncertainty exists about their policy going forward, this uncertainty has been very critical in hampering the world demand.

Indians have invested huge amount in textiles and their production of cotton crop has also increased many folds since last ten years, now they are producing nearly 40 million bales of cotton and their industry has already overtaken Pakistan as major yarn supplier so much so that they have even entered Pakistani market and huge amount of yarn is being imported from India narrowing local market.

Going forward, process of establishing L/Cs for new Island Spinning unit project has been started and we are hopeful that the unit will become operational by the end of next financial year.

In the last, it is necessary to recognize the hard work of our team members as it is their dedication and commitment which led the company to pass through all the difficult times. We also owe it to our suppliers, bankers, agents, and customers for their consistent support.

On behalf of the Board of Directors



SHAHID ANWAR TATA
Chief Executive

Karachi:

Date: April 26, 2014

ISLAND TEXTILE MILLS LIMITED**CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2014**

| | Note | March 31, 2014 (Un-audited) | June 30, 2013 (Audited) (Restated) |
|---|------|-----------------------------------|---|
| SHARE CAPITAL AND RESERVES | | | |
|Rupees in '000' | | | |
| Authorised | | | |
| 1,000,000 Ordinary shares of Rs. 10 each | | <u>10,000</u> | <u>10,000</u> |
| Issued, subscribed and paid-up | | | |
| 500,000 ordinary shares of Rs.10 each | | 5,000 | 5,000 |
| Associate's share of capital reserve relating to | | | |
| Capital reserve | | 591 | 591 |
| General Reserves | | 900,000 | 900,000 |
| Unrealized (loss) / gain in value of securities | | | |
| available for sale | | (16) | 15,520 |
| Unappropriated profit | | <u>418,476</u> | <u>279,434</u> |
| | | <u>1,324,051</u> | <u>1,200,545</u> |
| SURPLUS ON REVALUATION OF | | | |
| PROPERTY, PLANT AND EQUIPMENT - net of tax | | 463,789 | 477,446 |
| NON-CURRENT LIABILITIES | | | |
| Deferred liabilities | | 91,535 | 91,730 |
| Long term finance | | - | 84,633 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | <u>201,679</u> | <u>200,732</u> |
| Interest / mark-up accrued on loans | | 1,059 | 2,916 |
| Current portion of long- term finance | | - | 19,531 |
| Taxation | | <u>18,973</u> | <u>21,566</u> |
| | | <u>221,711</u> | <u>244,745</u> |
| CONTINGENCIES AND COMMITMENTS | 2 | | |
| | | <u>2,101,086</u> | <u>2,099,099</u> |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 3 | 818,077 | 818,635 |
| Intangible assets | | 3,714 | 4,194 |
| Long-term investment | | 301,039 | 290,999 |
| Long-term deposits | | 1,001 | 1,001 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | <u>16,593</u> | <u>14,262</u> |
| Stock-in-trade | | 657,261 | 350,373 |
| Trade debts | | 146,091 | 173,251 |
| Loans and advances | | 96,369 | 66,475 |
| Short-term prepayments | | 2,675 | 742 |
| Other receivables | | 41 | 335 |
| Other financial assets | | 22,341 | 285,789 |
| Sales tax refundable | | 5,525 | 7,816 |
| Cash and bank balances | | <u>30,359</u> | <u>85,227</u> |
| | | <u>977,255</u> | <u>984,270</u> |
| | | <u>2,101,086</u> | <u>2,099,099</u> |

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


SHAHID ANWAR TATA
Chief Executive


ANWAR AHMED TATA
Chairman/Director

ISLAND TEXTILE MILLS LIMITED
05
**CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2014**

| Note | Nine-month period ended | | Three-month period ended | |
|---|-------------------------|---------------------------------|--------------------------|---------------------------------|
| | March 31, 2014 | March 31, 2013 (Restated) | March 31, 2014 | March 31, 2013 (Restated) |
|Rupees in '000'..... | | | | |
| Sales | 1,483,876 | 1,600,883 | 513,651 | 645,441 |
| Cost of goods sold | 4 (1,250,153) | (1,249,525) | (447,678) | (498,443) |
| Gross profit | 233,723 | 351,358 | 65,973 | 146,998 |
| Distribution cost | (63,002) | (54,719) | (23,431) | (23,854) |
| Administrative expenses | (40,729) | (38,413) | (13,787) | (13,823) |
| Other operating expenses | (10,000) | (20,312) | (862) | (5,157) |
| Other operating income | 25,687 | 946 | 516 | 60 |
| Finance cost | (21,788) | (28,017) | (5,387) | (10,463) |
| Share of profit/(Loss) of associate - net of tax | 13,005 | 25,578 | (5,043) | 10,098 |
| Profit before taxation | 136,896 | 236,421 | 17,979 | 103,859 |
| Provision for taxation | (7,774) | (27,859) | (5,034) | (10,670) |
| Profit for the period | 129,122 | 208,562 | 12,945 | 93,189 |
| Other comprehensive income | | | | |
| Unrealised gain / (loss) on remeasurement of investment | | | | |
| - available-for-sale | | | | |
| - Held by Company | - | 19,871 | - | 6,064 |
| - Held by Company - disposal | (15,548) | - | - | - |
| - Held by an associate | | | | |
| proportionate share of investment | 12 | - | 10 | (11) |
| Other comprehensive income | | | | |
| - net of tax | (15,536) | 19,871 | 10 | 6,053 |
| Items that will not be reclassified to profit or loss account Remeasurement of defined benefit plan | - | (800) | - | (266) |
| Recognition of deferred tax | - | (23) | - | (8) |
| Associates' share - recognition of unrecognized actuarial losses | (707) | - | - | - |
| Associates' share - recognition of deferred tax on actuarial losses | 71 | - | - | - |
| | (636) | (823) | - | (274) |
| Other comprehensive income | | | | |
| - net of tax | (16,172) | 19,048 | 10 | 5,779 |
| Total comprehensive income for the period | 112,950 | 227,610 | 12,955 | 98,968 |
| Earning per share | | | | |
| - Basic and diluted (Rupees) | 258.24 | 417.12 | 25.89 | 186.38 |

The annexed notes 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 NINE-MONTH PERIOD ENDED MARCH 31, 2014

| | March 31, 2014 | March 31, 2013 |
|---|---------------------------|-------------------|
| |Rupees in '000'..... | |
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 136,896 | 236,421 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 30,999 | 27,947 |
| Amortization of intangible assets | 813 | 753 |
| Provision for staff gratuity and compensated absences | 7,833 | 8,476 |
| Finance cost | 21,788 | 28,017 |
| Share of profit from an associate - net of tax | (13,005) | (25,578) |
| Gain on disposal of property, plant and equipment | (83) | (92) |
| Realized gain on disposal of financial assets | (24,656) | - |
| Operating cash flows before working capital changes | 160,585 | 275,944 |
| (Increase) / decrease in current assets | | |
| Stores, spares and loose tools | (2,331) | 5,148 |
| Stock-in-trade | (306,888) | (173,801) |
| Trade debts | 27,160 | (63,251) |
| Loans and advances | (22,926) | (30,765) |
| Short-term prepayments | (1,933) | (2,073) |
| Other receivables | 294 | 3,663 |
| Other financial assets | (134,100) | (149,779) |
| Sales tax refundable | 2,291 | 3,632 |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | 820 | 84,808 |
| Net cash used in operations | (277,026) | (46,474) |
| Finance cost paid | (23,645) | (22,632) |
| Income tax paid | (15,741) | (20,578) |
| Employees' benefits paid | (9,486) | (7,467) |
| Long-term deposits | - | (676) |
| Net cash used in operating activities | (325,899) | (97,827) |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Additions to property, plant and equipment and capital work-in-progress | (30,478) | (142,360) |
| Proceeds from disposal of property, plant and equipment | 120 | 10,591 |
| Purchase of intangible assets | (333) | (1,000) |
| Proceed from other financial assets | 406,656 | - |
| Dividend received | 1,602 | 1,099 |
| Net cash generated from / (used in) investing activities | 377,567 | (131,670) |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long-term finance obtained | - | 104,163 |
| Long-term finance repaid | (104,164) | - |
| Short term borrowings received - net | - | 66,406 |
| Dividend paid | (2,373) | (4,872) |
| Net cash (used in) / generated from financing activities | (106,537) | 165,697 |
| Net decrease in cash and cash equivalents (A+B+C) | (54,869) | (63,800) |
| Cash and cash equivalents at July 01 | 85,227 | 21,624 |
| Cash and cash equivalents at March 31 | 30,359 | (42,176) |
| CASH AND CASH EQUIVALENT | | |
| Cash and bank balances | 30,359 | 23,615 |
| Short term running finance | - | (65,791) |
| | 30,359 | (42,176) |

The annexed notes 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 NINE-MONTH PERIOD ENDED MARCH 31, 2014**

| | Reserve | | | | Total |
|--|---------|-----------------|---------------|--|-------|
| | Capital | General reserve | Other reserve | Revenue | |
| Issued, subscribed and paid-up Capital | | | | Unrealized (loss)/gain on remeasurement of securities available for-sale | |
| | | | | Unappropriated profit (Restated) | |
| | | | | Rupees in '000' | |
| Balance at July 01, 2012 as previously reported | | | | | |
| Impact of Change in accounting policy | | | | | |
| Balance as at July 01, 2012 - restated | | | | | |
| Comprehensive income: | | | | | |
| Profit after taxation for the nine months ended March 31, 2013 | | | | | |
| Other comprehensive income - net of tax | | | | | |
| Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax | | | | | |
| Share of surplus on revaluation of property, plant and equipment from associate on account of incremental depreciation - net of deferred tax | | | | | |
| Transactions with owners: | | | | | |
| Final cash dividend for the year ended June 30, 2012 - @ Rs 10 per share | | | | | |
| Balance at March 31, 2013 - restated | | | | | |

5,000 - 591 213 829,157 834,961

- - - (3,489) (3,489)

5,000 - 591 213 825,668 831,472

- - - 208,562 208,562

- - - 19,871 (823) 19,048

- - - 19,871 207,739 227,610

- - - 12,713 12,713

- - - 3,689 3,689

- - - 16,402 16,402

- - - (5,000) (5,000)

5,000 - 591 20,084 1,044,809 1,070,484

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

Comprehensive Income

Profit after taxation for the quarter ended June 30, 2013
Other comprehensive income - net of tax

Total other comprehensive income for the period - restated

Transfer from surplus on revaluation of property, plant and equipment on account of
- incremental depreciation - net of deferred tax
- disposal - net of deferred tax
Share of surplus on revaluation of property, plant and equipment from associates
on account of incremental depreciation - net of deferred tax
Transfer from unappropriated profit to general reserves
Loss due to derecognition of investment by associates

Balance at June 30, 2013 - restated

Comprehensive Income:

Profit after taxation for the nine months ended March 31, 2014
Other comprehensive income - net of tax

Transfer from surplus on revaluation of property, plant and equipment on account of
incremental depreciation - net of deferred tax
Share of surplus on revaluation of property, plant and equipment from associate on account of
incremental depreciation - net of deferred tax
Share of recognition of unrecognized actuarial loss - net off tax

Transactions with owners:

Final cash dividend for the year ended June 30, 2013 - @ Rs 5 per share

Balance at March 31, 2014

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

| | Reserve | | | | Total |
|---------------------------------------|----------------|-----------------|---------------|--|----------------------------------|
| | Capital | General reserve | Other reserve | Revenue | |
| Issued subscribed and paid-up Capital | | | | Unrealized (loss) gain on remeasurement of securities available for sale | Unappropriated profit (Restated) |
| | | | | Rupees in '000 | |
| - | - | - | - | - | 158,799 |
| - | - | - | - | (4,564) | (275) |
| - | - | - | - | (4,564) | 158,524 |
| | | | | | 153,960 |
| - | - | - | - | - | 1,955 |
| - | - | - | - | - | 1,693 |
| - | - | - | - | - | 5,619 |
| - | 900,000 | - | - | - | (900,000) |
| - | - | - | - | - | (33,166) |
| - | 900,000 | - | - | - | (923,899) |
| 5,000 | 900,000 | 591 | 15,520 | 279,434 | 1,200,545 |
| - | - | - | - | - | 129,122 |
| - | - | - | - | (15,536) | - |
| - | - | - | - | (15,536) | 129,122 |
| | | | | | 113,586 |
| - | - | - | - | - | 10,561 |
| - | - | - | - | - | 2,494 |
| - | - | - | - | - | (636) |
| - | - | - | - | - | 12,420 |
| | | | | | (2,500) |
| 5,000 | 900,000 | 591 | (16) | 418,476 | 1,324,051 |

SHAHID ANWAR TATA
Chief Executive

ANWAR AHMED TATA
Chairman/Director

**SELECTED EXPLANATORY NOTES TO THE
CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2014**

1. STATUS AND NATURE OF BUSINESS

- 1.1** Island Textile Mills Limited (the Company) was incorporated in Pakistan on May 20, 1970 as a public limited company under the Companies Ordinance, 1984 and is listed on Karachi Stock Exchange. The registered office of the Company is situated at 6th floor, Textile Plaza, M.A. Jinnah Road, Karachi. 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.
- 1.2** 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.
 - recognition of certain staff retirement benefits at present value
- 1.3** These condensed interim financial statements have been prepared in accordance with the International Financial Reporting Standards, International Accounting Standard (IAS) 34: Interim Financial Reporting and in compliance with the requirement of section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi Stock Exchange.
- 1.4** 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, 2013.

2. CONTINGENCIES AND COMMITMENTS

March 31, June 30,
2014 2013
Note (Un-audited) (Audited)
.....Rupees in 000

2.1 Contingencies

| | | |
|---|--------------|-------|
| Labour and workmen compensation cases in court of law | 1,236 | 1,447 |
|---|--------------|-------|

2.2 Commitments

| | | |
|--------------------------------|------------------|---------|
| Letters of credit | | |
| -Raw Material | 52,505 | 56,215 |
| -Stores and spares / Machinery | 1,604,103 | 2,661 |
| Bank guarantees | 52,854 | 38,171 |
| Bills discounted | 110,039 | 109,425 |
| Outstanding sales contracts | 15,671 | 8,934 |
| Forward contracts | 208,585 | - |

- 2.1** This includes bank guarantee related to infrastructure cess amounting to Rs. 38.6 million (June 30, 2013: Rs. 37.5 million) for which provision amounting to Rs. 31.08 million (June 30, 2013: Rs 30.48 million) has been made.

3. PROPERTY, PLANT AND EQUIPMENT

| | | |
|---------------------------------|-----------------------|-----------------------|
| Operating fixed assets | 783,602 | 776,805 |
| Capital work-in-progress (CWIP) | 34,475 | 41,830 |
| | <u>818,077</u> | <u>818,635</u> |

ISLAND TEXTILE MILLS LIMITED

- 3.1 Following additions, transfers and disposals in operating fixed assets were made during the quarter ended March 31, 2014.

| | Acquisition/ transfer from CWIP | Disposal (W.D.V) | Sale Proceed |
|------------------------------------|---------------------------------------|---------------------|---------------------------------|
| | Rupees in '000' | | |
| March 31, 2014 (Un-audited) | | | |
| Building | 8,686 | - | - |
| Plant and machinery | 830 | 37 | 120 |
| Computer equipment | 87 | - | - |
| Vehicle | 1,802 | - | - |
| | <u>11,405</u> | <u>37</u> | <u>120</u> |
| | Nine-month period ended | | Three-month period ended |
| Note | March 31, 2014 | March 31, 2013 | March 31, 2014 |
| | Un-audited..... | | |
| |Rupees in '000'..... | | |

4. **COST OF GOODS SOLD**

| | | | | |
|--------------------------------|------------------|------------------|----------------|----------------|
| Opening finished goods | 47,593 | 24,195 | 180,534 | 110,074 |
| Cost of goods manufactured 4.2 | <u>1,424,963</u> | <u>1,280,649</u> | <u>489,547</u> | <u>443,688</u> |
| | <u>1,472,556</u> | <u>1,304,844</u> | <u>670,081</u> | <u>553,762</u> |
| Closing finished goods | (222,403) | (55,319) | (222,403) | (55,319) |
| Cost of goods sold | <u>1,250,153</u> | <u>1,249,525</u> | <u>447,678</u> | <u>498,443</u> |
| | <u>1,250,153</u> | <u>1,249,525</u> | <u>447,678</u> | <u>498,443</u> |

- 4.1 Net realisable value of finished goods was lower than its cost which resulted in write-down of Rs.0.322 million (2013 Rs.0.154 million) and was charged to cost of sales

4.2 **Cost of goods manufactured**

| | | | | |
|------------------------------|------------------|------------------|----------------|----------------|
| Raw material consumed 4.2.1 | 1,076,773 | 992,984 | 359,981 | 340,695 |
| Packing material consumed | 20,432 | 18,657 | 7,162 | 6,565 |
| Stores and spares consumed | 19,758 | 26,393 | 6,559 | 10,996 |
| Salaries, wages and benefits | 93,237 | 87,547 | 32,451 | 30,282 |
| Fuel and Power | 169,737 | 120,212 | 62,934 | 42,405 |
| Insurance | 4,165 | 4,025 | 1,690 | 1,574 |
| Repairs and maintenance | 5,929 | 3,049 | 2,901 | 1,343 |
| Depreciation | 26,427 | 24,896 | 9,085 | 9,164 |
| Other overheads | 6,178 | 5,885 | 2,177 | 1,422 |
| | <u>1,422,636</u> | <u>1,283,648</u> | <u>484,940</u> | <u>444,446</u> |

Work-in-process

| | | | | |
|---------------|------------------|------------------|----------------|----------------|
| Opening stock | 16,060 | 10,484 | 18,340 | 12,725 |
| Closing stock | (13,733) | (13,483) | (13,733) | (13,483) |
| | <u>2,327</u> | <u>(2,999)</u> | <u>4,607</u> | <u>(758)</u> |
| | <u>1,424,963</u> | <u>1,280,649</u> | <u>489,547</u> | <u>443,688</u> |

4.2.1 **RAW MATERIAL CONSUMED**

| | | | | |
|-----------------|------------------|------------------|----------------|----------------|
| Opening stock | 286,721 | 209,367 | 691,656 | 376,540 |
| Purchases - net | <u>1,211,177</u> | <u>1,159,663</u> | <u>89,450</u> | <u>340,201</u> |
| | <u>1,497,898</u> | <u>1,369,030</u> | <u>781,106</u> | <u>716,741</u> |
| Closing stock | (421,125) | (376,046) | (421,125) | (376,046) |
| | <u>1,076,773</u> | <u>992,984</u> | <u>359,981</u> | <u>340,695</u> |

5. 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:

| | | Three-month period ended | |
|-----------------------------|----------------------------|--------------------------|-------------------|
| | | March 31, 2014 | March 31, 2013 |
| | |(Un-audited)..... | |
| | | ...Rupees in '000'... | |
| Relationship with the party | Nature of transactions | | |
| Associated undertakings | Share of expense received | 565 | 3 |
| | Share of expense paid | 849 | 198 |
| | Purchase of electricity | 53,326 | 38,466 |
| Key management personnel | Short term benefits | 4,614 | 4,115 |
| Directors meeting fee paid | Short-term benefits paid | 750 | 1,493 |
| | Directors meeting fee paid | 30 | 40 |
| | Rent expense | 866 | 866 |

6. APPROVAL OF CONDENSED INTERIM FINANCIAL INFORMATION

These condensed interim financial statements were authorized for issue on April 26, 2014 by the Board of Directors of the Company.



SHAHID ANWAR TATA
Chief Executive



ANWAR AHMED TATA
Chairman/Director

ISLAND TEXTILE MILLS LIMITED

Notice to the Shareholders of Island Textile Mills Limited

Dear Sir / Madam,

Submission of Copy of CNIC (Mandatory):

The Securities and Exchange Commission of Pakistan (SECP) vide their S.R.O. 779(i) 2011 dated August 18, 2011 has directed the company to print your Computerized National Identity Card (CNIC) number on your dividend warrants and if your CNIC number is not available in our records, your dividend warrant will not be issued / dispatched to you. In order to comply with this regulatory requirement, **physical shareholders** are requested to kindly send photocopy of their CNIC to us immediately at our Share Registrar's address '**Share Registrar Department, Central Depository Company of Pakistan Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400, Pakistan**'. Kindly ignore if you have already provided your CNIC number to us. Corporate Shareholders are requested to provide their National Tax Number (NTN) to us.

Dividend Mandate (Optional):

Under Section 250 of the Companies Ordinance 1984 a shareholder may, if so desires, direct the Company to pay dividend through his / her / its bank account. In pursuance of the directions given by Securities and Exchange Commission of Pakistan (SECP) vide Circular Number 18 of 2012 dated June 05, 2012, kindly authorized the company for direct credit of your cash dividend in your bank account (please note that giving bank mandate for dividend payments is optional, in case you do not wish to avail this facility please ignore this notice, dividend will be paid to you through dividend warrant at your registered address). If you want to avail the facility of direct credit of dividend amount in your bank account, please provide following information:

| Bank Account Details of Shareholder | |
|--|--|
| Title of Bank Account | |
| Bank Account Number | |
| Bank's Name | |
| Branch name and Address | |
| Cell number of Shareholder | |
| Landline number of shareholder, if any | |
| It is stated that the above mentioned information is correct and in case of any change therein, I/we will immediately intimate to the company and the concerned share registrar. | |
| Name, Signature, Folio # and CNIC number of Shareholder | |
| Notes: | |
| (1) | Those shareholders, who hold shares in book entry form in their CDS accounts, will provide the above dividend mandate information directly to their respective Participant / CDC Investor Account Services Department. |
| (2) | If dividend mandate information has already been provided by you, ignore this request. |

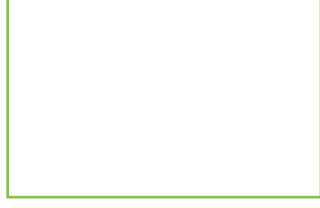
Unclaimed Shares / Dividends:

You may also write to us for any outstanding / unclaimed cash dividend or bonus shares issued to you by company in past years.

Dated: April 26, 2014

BOOK POST

Printed Matter



If Undelivered please return to :
ISLAND TEXTILE MILLS LIMITED
6th Floor, Textile Plaza,
M. A. Jinnah Road,
Karachi-74000