

D.M TEXTILE MILLS LTD

DIRECTORS' REPORT

Dear Shareholders,

The Directors present before you the financial statements for the First Quarter Ended 30th September 2009 and appended below the financial results.

1. Comparative financial results are given below:

Rupees in Thousands.

Quarter Ended on	30-09-2009	30-09-2008	% Increase/ (Decrease)
Gross Sales	199,662	252,041	(20.78)
Cost of Sales	(193,178)	(240,247)	(19.59)
Gross Profit	6,484	11,794	(45.03)
Gross Profit Rate (%)	3.25	4.68	
Other Operating Income	31	61	
Selling, Admin & Other operating Expenses	(5,910)	(4,424)	
Financial and Other Charges	(12,037)	(12,565)	
Provision for Taxation	(998)	(500)	
Profit / (Loss) after taxation	(12,431)	(5,634)	
Loss per share-Basic and diluted Rupees	(4.07)	(1.85)	
Breakup Value per share in Rs	156.72	180.88	

2. Production Results

Quarter Ended		30-09-2009	30-09-2008
Actual production yarn	Million Kgs	1.219	1.363
Converted production yarn 20's	Million Kgs	3.102	3.352
Average count spun	No.	37.24	36.37
Yield	%age	92.32	92.45

3. Debt Servicing

The company paid installments of loan to the financial institutions except Rs.48.402 Million and Rs.5.502 Million overdue included in current portion of long term loan and liabilities against assets subject to finance lease respectively and resulted decrease in current ratio. We have applied to our banker to grant exemption of current ratio for one year. The Company applied for renewal / restructuring / rescheduling of long term loans including liabilities against assets subject to finance lease. Most of the leasing companies acceded to our request.

4. Dividend

The Directors have not recommended any dividend due to losses.

D.M TEXTILE MILLS LTD

5. Prospects and Plans

Sui Northern Gas Pipeline Limited disconnected Gas Supply (Captive Power) without any schedule of restoration on 19 October 2009 due to low pressure of gas and may restore on availability of standard pressure. The mill started operation from WAPDA connection. WAPDA is also doing compulsory loadshedding which will also affect production and quality of yarn. WAPDA rates are abnormal and recently increased 6% in WAPDA tariff w.e.f. October 01, 2009. Textile crises are still continuing. Textile ministry announced in textile policy to consider textile industry at par with fertilizer and other important sectors either to exempt from loadshedding or at possible minimum level but so far not implemented.

For and behalf of the Board of Directors

Habib Ullah
Chief Executive

Hussain Ahmad Qureshi
Director

Rawalpindi: October 26, 2009