

D.M Textile Mills Ltd

DIRECTORS' REPORT

Dear Shareholders,

The Directors present before you the interim condensed financial statement for the first quarter ended 30th September, 2011 and appended below the financial results.

1. Net Profit/(Loss)

During the period ended 30-09-2011 the company suffered a net loss of Rs.(12.639) million, as compared to previous period net loss of Rs.(23.005) million.

Due to high inflation cost the mill was not in operation during the quarter. There was news from SNGPL that gas supply to industry will be not possible for three months winter season.

2- Comparative financial results are given below:

Quarter Ended on	Rupees in Thousand	
	30-09-2011	30-09-2010
Gross Sales	21,062	204,680
Cost of Sales	(23,615)	(210,647)
Gross Profit/(Loss)	(2,553)	(5,967)
Selling, Admin & Other operating Expenses	(3,079)	(6,467)
Other Operating Income	0.225	86
Financial and Other Charges	(8,267)	(9,761)
Provision for Taxation	1,035	(896)
Profit / (Loss) after taxation	(12,639)	(23,005)
Basic Earning/(Loss) per share in Rs	(4.14)	(7.54)
Breakup Value per share in Rs	142.40	159.78

3- Debt Servicing

The company paid installments of loan to the financial institutions except Rs.73.194 million shown overdue of long-term loan, Rs. 30.644 million of finance lease and deferred markup Rs. 4.089 million. Current ratio reduced accordingly.

4- Dividend

The Directors have not recommended any dividend due to losses.

6- Future Prospects & Plans

Textile crisis is still continuing energy crises, fuel tariff increased. The sale prices have considerably been reduced. Load shedding of WAPDA and SNGP Limited have badly affected power looms sector at Faisalabad and there is no yarn demand. The company has been forced to close mills operation from 13-04-2011 due to cash liquidity crunch. However, the management intends to start operation of the mills and working to produce fine count.

For and behalf of the Board of Directors

Habib Ullah
Chief Executive

Rawalpindi: October 28, 2011

Hussain Ahmad Qureshi
Director