

D.M Textile Mills Ltd

DIRECTORS' REPORT

Dear Shareholders,

The Directors present before you the condensed financial statements for the three quarters ending March 31, 2012.

1. Net Profit/(Loss)

During the period ended the company suffered a net loss of Rs. (41.789) Million as compared to previous period net loss of Rs. (27.339) Million.

Due to high inflation cost, curtailed gas supply and load shedding the mill was not in operation during the period.

2- Comparative financial results are given below:

	Rupees	
Three Quarters Ended	31-March-12	31-March-11
Gross Sales	22,550,131	793,643,754
Cost of Sales	(44,545,541)	(775,209,775)
Gross Profit/(Loss)	(21,995,410)	18,433,979
Gross Profit/(Loss) Rate (%)	(97%)	2%
Selling, Admin & Other operating Expenses	(10,907,817)	(16,372,381)
Other Operating Income	9,372,365	236,723
Financial and Other Charges	(23,219,615)	(27,742,330)
Profit / (Loss) before taxation	(46,750,478)	(25,444,009)
Provision for Taxation	4,960,840	(1,895,194)
Profit / (Loss) after taxation	(41,789,638)	(27,339,203)
Basic Earning/(Loss) per share in Rs	(13.69)	(8.96)
Breakup Value per share in Rs	133	158

3- Production Results

Year Ended		31-March-12	31-March-11
Actual production yarn	Million Kgs	-	2.926
Converted production yarn 20's	Million Kgs	-	6.909
Average count spun	No.	-	35.21
Yield	%age	-	92.18

4- Debt Servicing

The Chief Executive is negotiating with the management of debt provider companies and hopeful to settle amicably in full and final and will request to waive off outstanding markup and penalties.

5- Dividend

The Directors have not recommended any dividend due to losses.

6- Future Prospects & Plans

Textile crisis is still continuing due to energy crisis, fuel tariff increase. The sale prices have considerably been reduced. Extreme Load shedding of WAPDA and SNGPL limited have badly affected power loom sector at Faisalabad. However the management intends to start operation of the mill as and when five (05) days gas supply is regular.

For and behalf of the Board of Directors

Habib Ullah
Chief Executive

Rawalpindi: April 26, 2012

Hussain Ahmad Qureshi
Director