

1. The Board of Directors is pleased to present the un-audited accounts of the Company for the quarter ended 30 September 2011 along with Directors' review thereon.
2. The Shareholders were earlier informed that trial run production of our newly commissioned line-II was started in June 2011 and dispatches commenced in July 2011 but during this period due to the ongoing power shortages in the country we faced many interruptions/shutdowns because of which line-II could not reach its optimum level of production. During the month of August 2011 due to Ramazan the outages reached upto 10 hours as a result of which line-II had to be shutdown completely during this period. Even gas was not available due to which our power plants could not be run. However, after improvement of power supply in September 2011, line-II resumed its trail production and dispatches were also started accordingly and are now opeartaing steadily. Secondly during the month of September 2011 the plant also achieved its optimum capacity and thus has been capitalized on the same date.
3. During the quarter under review, FCCL capacity utilization based on line-I only remained at 104% as compared to 82% in the corresponding quarter of the last year. Local dispatches stood at 233,022 tons as compared to 126,696 tons during the corresponding quarter of last year depicting an increase of 56%. Exports stood at 70,126 tons as compared to 112,777 tons in the same quarter of last year depicting a decrease of 38%. Our total dispatches during this period after taking into account trial run period of line-II were 426,955 tons.
4. The profitability of Company stood at Rs.104 Million as compared with last year same quarter's profit of Rs.106 Million.
5. Going forward a major challenge in the next quarter would be dealing with the power crisis which has been resolved for the time being in October 2011 but we have to see for how long it can be sustained. The domestic prices are stable to a certain extent but with less Government spending on infrastructure projects not much growth is expected in the domestic dispatches, thereby exerting more pressure on exports. The reduction in the KIBOR in line with the discount rate would provide some relief in financial charges.

