

## Company Information

### Board of Directors

Sir Mohammed Anwar Pervez  
Mr. Zameer Mohammed Choudrey  
Mr. Arshad Mehmood Chaudhary  
Mr. Muhammad Irfan A Sheikh  
Mr. Mazhar Rafi  
Mr. Mohammed Akram  
Mr. Arshad Hameed  
Mr. Ghulam Sarwar Malik

Chairman  
Chief Executive  
Director  
Director Finance & CFO  
Director Administration  
Director Marketing  
Director Coordination  
Director Works

### Company Secretary

Mr. Mohammad Akram

### Statutory Auditors

Khalid Majid Rehman Sarfarz.Rahim Iqbal Rafiq, Chartered Accountants.

### Cost Auditors

S.M. Masood & Co., Chartered Accountants.

### Legal Advisors

Raja M. Bashir, Advocate Supreme Court.

### Audit Committee

Mr. Mazhar Rafi  
Mr. Mohammed Akram  
Mr. Ghulam Sarwar Malik

### Registered Office

5<sup>th</sup> Floor, UBL Building, Jinnah Avenue, Islamabad  
Tel: (92-51) 220-6146 -51, Fax: (92-51) 2272150  
E-mail: [management@bestway.com.pk](mailto:management@bestway.com.pk)

## Head Office

5<sup>th</sup> Floor, UBL Building, Jinnah Avenue, Islamabad  
Tel: (92-51) 220-6146 -51, Fax: (92-51) 2272150,  
E-mail: [management@bestway.com.pk](mailto:management@bestway.com.pk)

## Plant Site

### Hattar

SwajGali Road, VillageShadi, Hattar, Distt.Haripur,  
N.W.F.P. Pakistan.

Tel: (92) 0303-771-1057 - 58, Fax: (92) 0303-71-1056  
E-mail: [bclhtr@isb.paknet.com.pk](mailto:bclhtr@isb.paknet.com.pk)

### Marketing Office

167-A, Adamjee Road, Rawalpindi Cantt.

Tel (92-51) 551-3110, 51,492, 552-0962 Fax: (92-51) 551-3109  
E-mail: [bdrwp@isb.paknet.com.pk](mailto:bdrwp@isb.paknet.com.pk)

## Shares Department

First Floor, Modern Motors House  
Beaumont Road, Karachi.

Tel: (92-21) 452-6983 - 84, Fax: (92-21) 452-6985

## Bankers

Habib Bank Limited.

Standard Chartered Bank.

Faysal Bank Limited.

Union Bank Limited.

Askari Commercial Bank Limited.

Bank Al-Habib Limited.

National Bank of Pakistan.

United Bank Limited.

Citibank N. A.

Bank Alfalah Limited.

Shamil Bank of Bahrain E.C.

**BESTWAY CEMENT LIMITED**  
**HALF YEARLY REVIEW**

The Directors take pleasure in presenting the Company's accounts, limited reviewed by the auditors, for the half-year ended December 31, 2002.

**Production & Sales**

The production and despatches for the quarter and the six months under review compared with last year's corresponding periods were as follows:

	<u>Half Year</u>		<u>Quarter</u>	
	2002	2001	2002	2001
(In tonnes)				
<b>Production:</b>				
Clinker	393,334	386,909	206,857	243,571
Cement	374,451	295,951	192,857	141,537
<b>Despatches</b>	371,396	314,134	189,788	156,585

Despatches of cement registered an increase of 57,362 tonnes over the corresponding last year's 6-month period. This is an increase of 18% for the 6 months. Despite continued depression in the market, Bestway Cement Limited has retained its share of the market. As a consequence, the capacity utilisation during the period under review was 71% for the half year as compared to 60% for the corresponding period of last year.

**Operating Results:**

Net sales stood at Rs. 860 million in the 6-month period ended 31<sup>st</sup> December 2002 as compared to Rs. 846 million in the corresponding period of last year, which is an overall increase of 2%. The operating profit decreased from Rs. 282 million to Rs. 229 million during the 6 months under review.

Financial charges stood at Rs. 141 million for the half year ended 31<sup>st</sup> December 2002 as against Rs. 139 million for the corresponding period of last year which is a decline of 2%.

The company posted a pre tax profit of Rs. 103 million in the 6 months period ended 31<sup>st</sup> December 2002 as compared to Rs. 127 million in the corresponding period last year. This represents a decrease of 19%. The drop in pre tax profit is a result of lower selling prices in the market.

**Future Outlook:**

Conversion of the plant to coal firing is currently under way and full conversion is expected within the current financial year. This will result in significant reduction in the cost of production resulting in improved profitability.

**Compliance with International Accounting Standards:**

To comply with the requirements of International Accounting Standard 12 (revised 2000) "Income Taxes" the company has accounted for a deferred tax liability of Rs. 123.917 million, of which Rs. 22.903 million has been charged to the current period and the balance of Rs. 101.015 million which relates to prior periods has been set off against retained earnings of the company.

**Acknowledgement:**

The Directors wish to express their appreciation for the continued support and contribution by the members of staff, suppliers, our bankers and various other agencies through the period.

On behalf of the Board

**February 28, 2003**

**Zameer M. Choudrey  
Chief Executive**

**BESTWAY CEMENT LIMITED**  
**BALANCE SHEET AS AT DECEMBER 31, 2002**

	December 2002 Rupees	June 2002 Rupees		December 2002 Rupees	June 2002 Rupees
<b>Capital and reserves</b>			<b>Tangible fixed assets</b>		
<i>Authorised share capital</i> 200,000,000 ordinary shares of Rs. 10 each	<u>2,000,000,000</u>	<u>2,000,000,000</u>	Operating assets	3,200,585,322	3,286,693,981
<i>Issued, subscribed and paid up share capital</i> 193,469,555 ordinary shares of Rs.10 each issued for cash consideration	1,934,695,550	1,934,695,550	Capital work in progress	77,968,071	28,165,586
<i>Accumulated profit</i>	<u>218,179,275</u>	<u>243,567,458</u>		3,278,553,393	3,314,859,567
	2,152,874,825	2,178,263,008	<b>Long term deposits, prepayments and deferred costs</b>	21,005,076	25,588,632
<b>Long term finance</b>	2,249,068,893	1,578,805,649	<b>Long term investments</b>	2,331,481,830	598,197,560
<b>Liabilities against assets subject to finance lease</b>	-	-			
<b>Deferred liabilities</b>	139,092,970	13,515,428	<b>Current assets</b>		
<b>Current liabilities</b>			Stores, spares and loose tools	354,737,948	283,348,518
Short term finance	657,598,400	185,877,476	Stock in trade	181,380,531	129,371,498
Current maturity of long term liabilities	987,729,761	432,095,966	Receivable from customers	65,559,515	45,576,823
Creditors, provisions, accrued and other liabilities	256,859,392	229,769,909	Advances, deposits, prepayments and other receivables	75,132,184	62,984,937
Dividend payable	129,455,515	145,102,166	Short term investments	244,248,767	287,396,827
	2,031,643,068	992,845,517	Cash and bank balances	20,580,512	16,105,240
<b>Contingencies and commitments</b>	-	-		941,639,457	824,783,843
	<u>6,572,679,756</u>	<u>4,763,429,602</u>		<u>6,572,679,756</u>	<u>4,763,429,602</u>
				(0)	(0)
				(0)	(0)

CHIEF EXECUTIVE

DIRECTOR

**BESTWAY CEMENT LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED DECEMBER 31, 2002**

	Six Months Ended December 31 2002 Rupees	Six Months Ended December 31 2001 Rupees	Quarter Ended December 31 2002 Rupees	Quarter Ended December 31 2001 Rupees
<b>Sales - net</b>	860,004,143	846,075,026	421,948,847	442,113,052
<b>Cost of sales</b>	601,654,523	537,323,428	307,385,370	243,425,553
<b>Gross profit</b>	258,349,621	308,751,599	114,563,476	198,687,499
<b>Operating expenses</b>				
Administration and general	19,676,935	16,210,689	9,564,051	8,198,741
Selling and distribution	9,228,983	10,385,063	4,726,416	5,075,648
	28,905,918	26,595,752	14,290,467	13,274,389
<b>Operating profit</b>	229,443,703	282,155,847	100,273,010	185,413,110
Financial charges	138,614,725	141,402,318	86,059,504	65,681,600
Other (income)/ expenses	(17,557,105)	6,999,287	(8,543,794)	16,678,004
Workers profit participation fund	5,419,304	6,687,712	1,137,865	5,152,675
	126,476,924	155,089,317	78,653,575	87,512,279
<b>Profit before taxation</b>	102,966,778	127,066,529	21,619,435	97,900,831
Provision for taxation (current)	4,436,978	4,291,356	1,341,078	1,494,356
(deferred)	22,903,137	-	22,903,137	-
<b>Profit after taxation</b>	75,626,663	122,775,174	(2,624,780)	96,406,476
<b>Accumulated profit/(loss) brought forward</b>	243,567,458	68,779,105	321,818,902	95,147,804
<b>Adjustment for deferred tax provision</b>				
(prior periods)	(101,014,846)	-	(101,014,846)	-
<b>Accumulated profit/(loss) carried forward</b>	218,179,275	191,554,279	218,179,275	191,554,279
<b>Earnings per share</b>	0.39	0.63	(0.01)	0.50

CHIEF EXECUTIVE

DIRECTOR

**BESTWAY CEMENT LIMITED**  
**CASH FLOW STATEMENT FOR THE SIX MONTHS**  
**FROM JULY 01, 2002 TO DECEMBER 31, 2002**

	<b>December 31 2002 Rupees</b>	<b>December 31 2001 Rupees</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before taxation	102,966,778	127,066,529
Adjustments for:		
Profit on sale of fixed assets	(355,062)	(149)
Depreciation	89,471,638	95,084,208
Profit on investments	(15,988,917)	(16,000,891)
Financial Charges	138,614,725	141,402,318
Deferred costs' amortisation	4,583,556	449,527
Provision for staff retirement benefits	1,659,559	1,634,188
Exchange (gain)/ loss	(815,502)	23,100,257
	<u>217,169,998</u>	<u>245,669,458</u>
Operating profit before working capital changes	320,136,776	372,735,987
Increase in current assets	(156,320,257)	(100,203,984)
Increase/ (decrease) in current liabilities	968,183	(5,010,985)
	<u>(155,352,073)</u>	<u>(105,214,969)</u>
Cash generated from operations	164,784,703	267,521,018
Financial charges paid	(107,350,461)	(153,061,363)
Income tax paid	(9,579,942)	(1,297,940)
	<u>(116,930,403)</u>	<u>(154,359,303)</u>
<b>Net cash generated from operating activities</b>	<b>47,854,300</b>	<b>113,161,715</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital Work In Progress	(49,802,485)	(10,315,734)
Purchase of fixed assets	(4,694,743)	(8,582,089)
Proceeds from sale of fixed assets	1,686,825	1,821,504
Income from Investments	16,780,771	18,942,614
Exchange gain/ (loss) on purchase of foreign currency	32,258	(1,192,009)
Long term investments	(1,733,284,270)	-
Short term investments	21,966,624	(375,874)
<b>Net cash generated/(used) in investing activities</b>	<b>(1,747,315,019)</b>	<b>298,412</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long Term Loans	1,302,944,993	(208,918,473)
Finance Lease Principal Repaid	(55,083,274)	(46,362,490)
Short Term Finances	471,720,924	100,115,826
Dividend Paid	(15,646,652)	-
<b>Net cash used in financing activities</b>	<b>1,703,935,991</b>	<b>(155,165,137)</b>
<b>CASH EQUIVALENTS</b>		
<b>Cash and cash equivalents at 1st July</b>	16,105,240	61,438,682
<b>Cash and cash equivalents at 31st December</b>	<b>20,580,512</b>	<b>19,733,672</b>

CHIEF EXECUTIVE

DIRECTOR

**BESTWAY CEMENT LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2002**

	<u>Issued, subscribed and paid up capital Rupees</u>	<u>Unappropriated profit Rupees</u>	<u>Total Rupees</u>
Balance at June 30, 2001	1,934,695,550	68,779,105	2,003,474,655
Profit after taxation for the half year ended December 31, 2001	-	122,775,174	122,775,174
Balance at December 31, 2001	<u>1,934,695,550</u>	<u>191,554,279</u>	<u>2,126,249,829</u>
Profit after taxation for the half year ended June 30, 2002	-	197,115,345	197,115,345
	<u>1,934,695,550</u>	<u>388,669,624</u>	<u>2,323,365,174</u>
<b>Appropriation:</b>			
Dividend	-	145,102,166	145,102,166
Balance at June 30, 2002	<u>1,934,695,550</u>	<u>243,567,458</u>	<u>2,178,263,008</u>
Profit after taxation for the half year ended December 31, 2002	-	75,626,663	75,626,663
Adjustment for deferred taxation	-	(101,014,846)	(101,014,846)
Balance at December 31, 2002	<u><u>1,934,695,550</u></u>	<u><u>218,179,275</u></u>	<u><u>2,152,874,825</u></u>