

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.
(New Name: Khalid Majid, Rehman, Chartered Accountants)

Cost Auditors

S. Ebrahim & 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

5th Floor, UBL Building, Jinnah Avanie, Islamabad
Tel: (92-51) 220-6146 -51, Fax: (92-51) 2272150
E-mail: management@bestway.com.pk

Head Office

5th Floor, UBL Building, Jinnah Avvenue, Islamabad
Tel: (92-51) 220-6146 -51, Fax: (92-51) 2272150,
E-mail: 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

New Project Site.

Village Tatra.1. Near PSG Petrol Pump
22Km KallarKahar, ChoaSaiden Shall Road
Chakwal, Pakistan, Tel: (92-543) 584560-3

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

Shares Department

10th Floor, Mehdi Towers/A-115
8,M.C.H.S, Shahrah-e-Faisal, 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.

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, 2003.

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>	
	2003	2002	2003	2002
(In tonnes)				
Production:				
Clinker	503,641	393,334	308,287	206,857
Cement	447,943	374,451	228,572	192,857
Despatches	467,465	371,396	230,994	189,788

Cement despatches for the 6 month period registered an increase of 96,069 tonnes over the corresponding period last year. This represents an increase of 26% which was mainly due to pickup in export of cement to Afghanistan. Total despatches of 467,465 include 99,914 tonnes of cement exported to Afghanistan as against 35,945 tonnes exported in the corresponding period last year. Capacity utilisation during the period under review was 90% as compared to an average of 77% for the industry. Bestway Cement Limited retained its position as the leading cement exporter to Afghanistan.

Operating Results:

Net sales stood at Rs.1,187 million in the half year ended 31st December 2003 as compared to Rs.860 million in the corresponding period last year, which is an increase of 38%. Operating profit increased from Rs.229 million to Rs.421 million during the period under review which is an increase of 83%.

Financial charges declined by 45% to Rs.77 million for the half year ended 31st December 2003 as compared to Rs.139 million for the corresponding period last year.

The Company registered a pre tax profit of Rs.342 million in the half year ended 31st December 2003 as against Rs.103 million in the corresponding period last year, which is a substantial increase of 230%. Profit after tax increased to Rs.236 million from Rs.76 million, which is an increase of 211%.

Future Outlook:

Prices during the half-year under review remained fairly stable for both domestic and export sales. The off-take in both domestic and export markets continued its upward trend, which is an encouraging sign for the future. It is expected that despatches to both markets will improve further along with improvement in selling price for exports. These factors coupled with lower interest rates should result in a significantly better profitability for the current year.

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 07, 2004

Zameer M. Choudrey
Chief Executive

BESTWAY CEMENT LIMITED
BALANCE SHEET AS AT DECEMBER 31, 2003

	December 2003 Rupees	June 2003 Rupees		December 2003 Rupees	June 2003 Rupees
Capital and reserves			Tangible fixed assets		
<i>Authorised share capital</i>			Operating assets	3,256,514,508	3,305,577,680
200,000,000 ordinary shares of Rs. 10 each	2,000,000,000	2,000,000,000	Capital work in progress	2,434,134	490,983
				3,258,948,642	3,306,068,663
<i>Issued, subscribed and paid up share capital</i>			Long term deposits, prepayments and deferred costs	18,965,547	19,190,309
193,469,555 ordinary shares of Rs.10 each issued for cash consideration	1,934,695,550	1,934,695,550			
<i>Accumulated profit/(loss)</i>	482,346,217	245,949,188	Long term investments	1,864,950,530	1,864,950,530
	2,417,041,767	2,180,644,738			
Long term finance	2,041,900,000	1,700,900,000			
Deferred liabilities	119,645,833	19,987,496			
Current liabilities			Current assets		
Short term finance	947,142,285	1,154,265,674	Stores, spares and loose tools	413,625,852	318,619,483
Current maturity of long term liabilities	810,280,000	1,066,938,356	Stock in trade	181,502,489	155,641,894
Creditors, provisions, accrued and other liabilities	246,385,315	266,473,636	Receivable from customers	38,464,452	64,068,687
Dividend	-	145,102,166	Advances, deposits, prepayments and other receivables	77,441,194	59,597,495
	2,003,807,600	2,632,779,833	Short term investments	700,322,480	704,557,810
Contingencies and commitments	-	-	Cash and bank balances	28,174,013	41,617,196
				1,439,530,480	1,344,102,565
	6,582,395,200	6,534,312,067		6,582,395,200	6,534,312,067

The auditors' report is annexed hereto.
The annexed notes form an integral part of these accounts.

CHIEF EXECUTIVE

DIRECTOR & CFO

BESTWAY CEMENT LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED DECEMBER 31, 2003

	Six Months Ended December 31 2003 Rupees	Six Months Ended December 31 2002 Rupees	Quarter Ended December 31 2003 Rupees	Quarter Ended December 31 2002 Rupees
Sales - net	1,186,842,939	860,004,143	571,076,253	421,948,847
Cost of sales	740,525,624	601,654,523	336,350,612	307,385,370
Gross profit	446,317,315	258,349,621	234,725,640	114,563,476
Operating expenses				
Administration and general	14,184,563	19,676,935	6,260,350	9,564,051
Selling and distribution	10,341,909	9,228,983	5,029,140	4,726,416
	24,526,473	28,905,918	11,289,490	14,290,467
Operating profit	421,790,843	229,443,703	223,436,151	100,273,010
Financial charges	76,770,740	138,614,725	36,041,160	86,059,504
Other (income)/ expenses	(14,460,545)	(17,557,105)	(6,665,572)	(8,543,794)
Workers profit participation fund	17,974,032	5,419,304	9,703,028	1,137,865
	80,284,228	126,476,924	39,078,616	78,653,575
Profit before taxation	341,506,615	102,966,778	184,357,535	21,619,435
Provision for taxation (current)	7,579,355	4,436,978	3,711,433	1,341,078
(deferred)	97,530,231	22,903,137	48,220,651	22,903,137
Profit/ (loss) after taxation	236,397,029	75,626,663	132,425,451	(2,624,780)
Accumulated profit/(loss) brought forward	245,949,188	243,567,458	245,949,188	321,818,902
Adjustment for deferrd tax provision (prior periods)	-	(101,014,846)	-	(101,014,846)
Accumulated profit/(loss) carried forward	482,346,217	218,179,275	378,374,639	218,179,275
Earnings per share	1.22	0.39	0.68	(0.01)

CHIEF EXECUTIVE

DIRECTOR & CFO

BESTWAY CEMENT LIMITED
CASH FLOW STATEMENT FOR THE SIX MONTHS
FROM JULY 01, 2003 TO DECEMBER 31, 2003

	December 31 2003 Rupees	December 31 2002 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	341,506,615	102,966,778
Adjustments for:		
Profit on sale of fixed assets	3,345	(355,062)
Depreciation	97,755,547	89,471,638
Profit on investments	(14,871,721)	(15,988,917)
Financial Charges	76,770,740	138,614,725
Deferred costs' amortisation	224,762	4,583,556
Provision for staff retirement benefits	2,128,105	1,659,559
Exchange (gain)/ loss	750,149	(815,502)
	<u>162,760,926</u>	<u>217,169,998</u>
Operating profit before working capital changes	504,267,541	320,136,776
Increase in current assets	(99,066,187)	(156,320,257)
Increase/ (decrease) in current liabilities	(13,008,138)	968,183
	<u>(112,074,325)</u>	<u>(155,352,073)</u>
Cash generated from operations	392,193,216	164,784,703
Financial charges paid	(83,850,923)	(107,350,461)
Income tax paid	(21,495,817)	(9,579,942)
	<u>(105,346,740)</u>	<u>(116,930,403)</u>
Net cash generated from operating activities	286,846,476	47,854,300
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Work In Progress	(1,943,151)	(49,802,485)
Purchase of fixed assets	(50,362,050)	(4,694,743)
Proceeds from sale of fixed assets	1,666,330	1,686,825
Income from Investments	14,747,942	16,780,771
Exchange gain/ (loss) on purchase of foreign currency	738,533	32,258
Long term investments	-	(1,733,284,270)
Short term investments	8,731	21,966,624
Net cash generated/(used) in investing activities	(35,143,664)	(1,747,315,019)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long Term Loans	87,079,561	1,302,944,993
Finance Lease Principal Repaid		(55,083,274)
Short Term Finances	(207,123,389)	471,720,924
Dividend Paid	(145,102,166)	(15,646,652)
Net cash used in financing activities	(265,145,995)	1,703,935,991
CASH EQUIVALENTS		
Cash and cash equivalents at 1st July	41,617,196	16,105,240
Cash and cash equivalents at 31st December	28,174,013	20,580,512

CHIEF EXECUTIVE

DIRECTOR & CFO

BESTWAY CEMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED DECEMBER 31, 2003

	<u>Issued, subscribed and paid up capital Rupees</u>	<u>Unappropriated profit Rupees</u>	<u>Total Rupees</u>
Balance at June 30, 2002	1,934,695,550	278,407,895	2,213,103,445
Profit after taxation for the half year ended December 31, 2002	-	75,626,663	75,626,663
Balance at December 31, 2002	<u>1,934,695,550</u>	<u>354,034,558</u>	<u>2,288,730,108</u>
Profit after taxation for the half year ended June 30, 2003	-	37,016,797	37,016,797
	<u>1,934,695,550</u>	<u>391,051,355</u>	<u>2,325,746,905</u>
Appropriation:			
Dividend	-	145,102,166	145,102,166
Balance at June 30, 2003	<u>1,934,695,550</u>	<u>245,949,189</u>	<u>2,180,644,739</u>
Profit after taxation for the half year ended December 31, 2003	-	236,397,029	236,397,029
Adjustment for deferred taxation	-	-	-
Balance at December 31, 2003	<u><u>1,934,695,550</u></u>	<u><u>482,346,217</u></u>	<u><u>2,417,041,767</u></u>

CHIEF EXECUTIVE

DIRECTOR & CFO

BESTWAY CEMENT LIMITED
NOTES TO THE ACCOUNTS FOR THE HALF YEAR ENDED DECEMBER 31, 2003

1. Bestway Cement Limited is a public company incorporated on December 22, 1993 under the Companies Ordinance, 1984 and formally listed on the Karachi Stock Exchange on April 9, 2001. The Company is engaged in production and sale of cement.
2. These accounts have been prepared under the historical cost convention without effects of inflation or current values in accordance with the International Accounting Standards as applicable in Pakistan. However only such disclosures are made in these accounts as are required by International Accounting Standard 34 (Interim Financial Reporting).
3. The accounting policies adopted in these half yearly accounts are the same as those applied in the preparation of the financial statements for the year ended 30th June 2003.
4. **Contingencies and Commitments:**

In respect of bank guarantees	Rs. 116.057 million
In respect of insurance guarantees	Rs. 30 million
5. Figures have been rounded off to the nearest rupee.
Figures of the previous year/period have been rearranged, wherever necessary, for the purpose of comparison.

CHIEF EXECUTIVE

DIRECTOR & CFO