

## **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. Arshad Hameed  
Mr. Ghulam Sarwar Malik

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

### **Company Secretary**

Mr. Mazhar Rafi

### **Statutory Auditors**

KPMG Taseer Hadi & Co., Chartered Accountants.

### **Cost Auditors**

S. Ebrahim & Co., Chartered Accountants.

### **Legal Advisors**

Raja M. Bashir, Advocate Supreme Court.

### **Audit Committee**

Mr. Mazhar Rafi  
Mr. Arshad Hameed  
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 Avanne, 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)

## 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.  
Tet (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

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.  
MCB Bank Limited.  
Allied Bank Limited.  
Standard Chartered Bank.  
Bank of Punjab.  
Faysal Bank Limited.  
Union Bank Limited.  
Askari Commercial Bank Limited.  
Bank Al-Habib Limited.  
NIB Bank 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 6 months ended 31<sup>st</sup> December, 2004.

***Industry Overview***

Demand for cement continued to rise during the period under review. Despatches of cement by the industry stood at 7.8 million tonnes as against 6.3 million tonnes for the same period last year, which represents a tremendous growth of 24%. The industry was thus able to achieve an overall capacity utilisation of 89% for the half year under review as against 77% for the corresponding period of last year.

***Production and Sales***

	<u>Half Year</u>		<u>Quarter</u>	
	2004	2003	2004	2003
	(In tonnes)			
<b>Production:</b>				
Clinker	551,704	503,641	305,367	308,287
Cement	581,544	447,943	268,655	228,572
<b>Despatches</b>	577,892	467,465	270,593	230,994

Cement despatches for your Company for the 6 month period registered an increase of 110,427 tonnes over the corresponding period last year representing an increase of 24%. Despatches to domestic market grew by a handsome 18% while exports to Afghanistan saw an increase of 46%. Total despatches of 577,892 include 145,607 tonnes of cement exported to Afghanistan as against 99,914 tonnes exported in the corresponding period last year. Capacity utilisation for your Company during the period under review was 111% as compared to an average of 89% for the industry.

***Operating Highlights***

Turnover net of sales tax, excise duty and rebates and discounts to customers stood at Rs.1,619 million for the half year ended 31st December 2004 as compared to Rs.1,187 million for the corresponding period of last year, which is an increase of 36%. Operating profit for the period under review increased from Rs.422 million to Rs.651 million which represents an increase of 54%.

Financial charges stood at Rs.51 million for the half year ended 31st December, 2004 as against Rs.77 million for the corresponding period of last year, representing a decrease of 34%.

Profit before taxation for the period under review increased by 69% to Rs.578 million as compared to Rs.342 million for the same period of last year. Profit after taxation for the half year amounted to Rs.407 million as compared to Rs.236 million for the corresponding period of last year, which represents an increase of 72%.

***New Project***

The directors are pleased to report that the work on the new cement plant of 6,000 tpd cement capacity in Tehsil Choa Saidan Shah, District Chakwal, Punjab continues to make good progress during the period under review. Civil works have commenced but have been affected by the recent rains. Necessary debt finance of Rs. 4.6 billion has also been arranged at competitive pricing from a syndicate of banks consisting of Habib Bank Limited, Muslim Commercial Bank, Bank of Punjab, Allied Bank of Pakistan, Standard Chartered Bank and Faysal Bank Limited. The agreement was signed in December 2004.

Your company regards itself as a responsible corporate citizen. In keeping with the philosophy of fulfilling its social obligations, the management has made every effort to develop a healthy working relationship with the local community paying particular attention to their welfare and protection of the environment.

The management is optimistic that the project will be completed within the anticipated time frame.

### ***Future Prospects***

With the winter season almost over, the off-take of cement in the domestic market is expected to surge. Recent rainfalls have considerably improved the availability of water during the 2nd half of the fiscal year, which should further encourage higher demand for cement. Prices are expected to remain stable for the foreseeable future. Growth in export of cement is also expected to continue and selling prices are likely to improve. The management remains confident that your Company will be able to post handsome profit for the current year also, due to its prudent policies and tight financial management.

### ***Acknowledgements***

The Directors wish to place on record their appreciation for the continued support, contribution and confidence demonstrated in the Company by its shareholders, members of staff, customers, suppliers, our Bankers and various Government agencies throughout the period.

For and on behalf of the Board

Chief Executive

28<sup>th</sup> February, 2005  
Islamabad.

**BESTWAY CEMENT LIMITED**  
**BALANCE SHEET AS AT DECEMBER 31, 2004**

	December 31 2004 Rupees	June 30 2004 Rupees		December 31 2004 Rupees	June 30 2004 Rupees
<b>Capital and reserves</b>			<b>Tangible fixed assets</b>		
<i>Authorised share capital</i>			Operating assets	3,193,772,767	3,165,501,041
250,000,000 ordinary shares of Rs. 10 each	2,500,000,000	2,000,000,000	Capital work in progress	575,751,396	34,654,972
				3,769,524,163	3,200,156,013
<i>Issued, subscribed and paid up share capital</i>			<b>Long term deposits, prepayments and deferred costs</b>	18,890,547	18,890,547
212,816,510 ordinary shares of Rs.10 each issued for cash consideration	2,128,165,105	1,934,695,550			
Reserve for issue of bonus shares	-	193,469,555	<b>Long term investments</b>	1,862,819,950	1,862,819,950
<i>Accumulated profit</i>	944,989,328	537,585,375			
	3,073,154,433	2,665,750,480	<b>Current assets</b>		
<b>Long term finance</b>	1,815,449,020	1,895,432,353	Stores, spares and loose tools	523,367,712	365,845,980
			Stock in trade	124,397,441	113,143,807
<b>Deferred liabilities</b>	408,528,942	250,532,290	Receivable from customers	45,911,481	41,630,455
			Advances, deposits, prepayments and other receivables	157,689,421	92,684,796
<b>Current liabilities</b>			Cash and bank balances	389,559,020	293,181,265
Short term finance	430,095,335	211,836,991		1,240,925,075	906,486,303
Current maturity of long term liabilities	539,966,666	429,467,647			
Creditors, provisions, accrued and other liabilities	624,965,338	341,863,497			
Dividend Payable	-	193,469,555			
	1,595,027,340	1,176,637,690			
<b>Contingencies and commitments</b>	5	-			
	6,892,159,735	5,988,352,814		6,892,159,735	5,988,352,814

CHIEF EXECUTIVE

DIRECTOR & CFO

**BESTWAY CEMENT LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED DECEMBER 31, 2004**

	<b>Six Months Ended December 31 2004 Rupees</b>	<b>Six Months Ended December 31 2003 Rupees</b>	<b>Quarter Ended December 31 2004 Rupees</b>	<b>Quarter Ended December 31 2003 Rupees</b>
<b>Sales - net</b>	1,619,263,276	1,186,842,939	766,640,537	571,076,253
<b>Cost of sales</b>	914,785,226	740,525,624	438,710,076	336,350,613
<b>Gross profit</b>	704,478,050	446,317,315	327,930,461	234,725,640
<b>Operating expenses</b>				
Administration and general	43,627,279	14,184,563	22,240,511	6,260,349
Selling and distribution	9,735,581	10,341,909	4,698,249	5,029,140
	53,362,859	24,526,473	26,938,760	11,289,489
<b>Operating profit</b>	651,115,190	421,790,843	300,991,701	223,436,151
Financial charges	50,638,165	76,770,740	26,565,316	36,041,159
Other income	(7,607,463)	(14,460,545)	(2,654,266)	(6,665,572)
Workers profit participation fund	30,404,224	17,974,032	13,854,033	9,703,028
	73,434,926	80,284,228	37,765,082	39,078,615
<b>Profit before taxation</b>	577,680,264	341,506,615	263,226,618	184,357,536
Provision for taxation (current)	13,750,416	7,579,355	7,732,321	3,711,433
(deferred)	156,525,895	97,530,231	74,077,282	48,220,651
<b>Profit after taxation</b>	407,403,953	236,397,029	181,417,015	132,425,452
<b>Accumulated profit brought forward</b>	537,585,375	245,949,188	763,572,313	349,920,766
<b>Accumulated profit carried forward</b>	944,989,328	482,346,217	944,989,328	482,346,218
<b>Earning per share</b>	1.91	1.11	0.85	0.62

CHIEF EXECUTIVE

DIRECTOR

**BESTWAY CEMENT LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR**  
**FROM JULY 01, 2004 TO DECEMBER 31, 2004**

	<b>December 31 2004 Rupees</b>	<b>December 31 2003 Rupees</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before taxation	577,680,264	341,506,615
Adjustments for:		
Gain on disposal of fixed assets	-	3,345
Depreciation	97,693,475	97,755,547
Profit on investments	(816,022)	(14,871,721)
Financial charges	50,638,165	76,770,740
Deferred costs' amortisation	-	224,762
Provision for staff retirement benefits	1,470,759	2,128,105
Exchange (gain)/loss	(5,126,246)	750,149
	<u>143,860,132</u>	<u>162,760,927</u>
Operating profit before working capital changes	721,540,396	504,267,542
Increase in current assets	(241,177,513)	(99,066,187)
Increase/(decrease) in current liabilities	276,807,328	(13,008,138)
	<u>35,629,815</u>	<u>(112,074,325)</u>
Cash generated from operations	757,170,211	392,193,217
Financial charges paid	(44,343,656)	(83,850,923)
Income tax paid	(10,337,144)	(21,495,817)
	<u>(54,680,800)</u>	<u>(105,346,740)</u>
<b>Net cash generated from operating activities</b>	<b>702,489,411</b>	<b>286,846,477</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions in capital work in progress	(541,096,424)	(1,943,151)
Additions in fixed assets	(126,121,684)	(50,362,050)
Proceeds from sale of fixed assets	156,484	1,666,330
Income from Investments	519,246	14,747,942
Exchange (loss)/gain on purchase of foreign currency & prepaid markup	(653,958)	738,533
Short term investments	-	8,731
<b>Net cash used in investing activities</b>	<b>(667,196,336)</b>	<b>(35,143,665)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Additions in long term finances	30,515,687	87,079,561
Increase/(decrease) in short term finances	218,258,344	(207,123,389)
Dividend paid	(193,469,555)	(145,102,166)
<b>Net cash generated/(used) from financing activities</b>	<b>55,304,476</b>	<b>(265,145,994)</b>
<b>NET CASH GENERATED/(USED) DURING THE PERIOD</b>	<b>90,597,551</b>	<b>(13,443,182)</b>
<b>CASH EQUIVALENTS</b>		
<b>Cash and cash equivalents at 01st July</b>	293,181,265	41,617,196
Exchange gain on US\$ bank accounts	5,780,203	-
<b>Cash and cash equivalents at 31st December</b>	<b>389,559,020</b>	<b>28,174,014</b>

CHIEF EXECUTIVE

DIRECTOR & CFO

**BESTWAY CEMENT LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2004**

	<b>Issued, subscribed and paid up capital Rupees</b>	<b>Unappropriated profit Rupees</b>	<b>Total Rupees</b>
Balance as at June 30, 2003	1,934,695,550	245,949,188	2,180,644,738
Profit after taxation for the half year ended December 31, 2003	-	236,397,030	236,397,030
Balance as at December 31, 2003	1,934,695,550	482,346,218	2,417,041,768
Profit after taxation for the six months ended June 30, 2004	-	442,178,267	442,178,267
	1,934,695,550	924,524,485	2,859,220,035
<b>Appropriation:</b>			
Dividend	-	(193,469,555)	(193,469,555)
Transfer to Reserve for issue of bonus shares	-	(193,469,555)	(193,469,555)
	1,934,695,550	537,585,375	2,472,280,925
Issue of bonus shares	193,469,555		193,469,555
Balance as at June 30, 2004	2,128,165,105	537,585,375	2,665,750,480
Profit after taxation for the half year ended December 31, 2004	-	407,403,953	407,403,953
Balance as at December 31, 2004	<b>2,128,165,105</b>	<b>944,989,328</b>	<b>3,073,154,433</b>

**CHIEF EXECUTIVE**

**DIRECTOR & CFO**

**BESTWAY CEMENT LIMITED**  
**NOTES TO THE ACCOUNTS FOR THE HALF YEAR ENDED DECEMBER 31, 2004**

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 quarterly accounts are the same as those applied in the preparation of the financial statements for the year ended 30th June 2004.

4. Long Term Finance	Reviewed Dec. 31, 2004 Rupees	Audited June 30, 2004 Rupees
Opening Balance	2,324,900,000	2,767,838,356
Add: Disbursement during the period	<u>245,000,000</u> 2,569,900,000	<u>625,000,000</u> 3,392,838,356
Less: Repayment during the period	(214,484,313)	(1,067,938,356)
Current portion shown under current liabilities	(539,966,667)	(429,467,647)
	<u><u>1,815,449,020</u></u>	<u><u>1,895,432,353</u></u>

**5. Contingencies and Commitments**

In respect of letter of credits	<u>2,406,740,800</u>	<u>90,894,348</u>
In respect of insurance guarantee against excise duty on exports.	<u>34,500,000</u>	<u>30,000,000</u>
In respect of bank guarantees	5.1 <u>156,436,282</u>	<u>174,905,064</u>

**5.1** All bank guarantees are secured by way of charge on the fixed assets of the Company.

**6. Capital Work in Progress**

The Company is in process to set up a modern cement plant in District Chakwal, Punjab with a production capacity of 6,000 tonnes cement per day.

Capital work in progress includes Rs. 571 million incurred on various activities for this project including amounts paid as advances to different suppliers and contractors.

**7. Date of Authorization**

The financial statements were authorised for issue in the Board of Directors meeting held on February 28, 2005.

**8. General**

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**