

BOARD OF DIRECTORS

Sir Mohammad Anwar Pervez, O.B.E, H.PK.	Chairman
Mr. Zameer Mohammad Choudrey	Chief Executive
Mr. Arshad Mehmood Chaudhary	Director
Mr. Muhammad Irfan A Sheikh	Director Finance and CFO
Mr. Mazhar Rafi	Director Administration & Marketing
Mr. Arshad Hameed	Director Coordination
Mr. Ghulam Sarwar Malik	Director Works

COMPANY SECRETARY

Mr. Mazhar Rafi

STATUTORY AUDITORS

Khalid Majid Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants

COST AUDITORS

S. Ebrahim & Co. Chartered Accountants

LEGAL ADVISORS

Raja M. Bashir, Advocate Supreme Court

AUDIT COMMITTEE

Mr. Mazhar Rafi	Chairman
Mr. Arshad Hameed	
Mr. Ghulam Sarwar Malik	

REGISTERED OFFICE

Bestway Building, 19-A, College Road, F-7 Markaz, Islamabad
Tel: (92-51) 265-4856 ~ 63, Fax: (92-51) 265-4865
E-Mail: management@bestway.com.pk

HEAD OFFICE

Bestway Building, 19-A, College Road, F-7 Markaz, Islamabad
Tel: (92-51) 265-4856 ~ 63, Fax: (92-51) 265-4865
E-Mail: management@bestway.com.pk

PLANT SITE

Suraj Gali Road, Village Shadi, 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 Tatral , Near PSO Petrol Pump,
22 Km Kallar Kahar, Choain Saiden Shah Road, Chakwal
Ph: 0543-584560~3

MARKETING HEAD OFFICE

167-A, Adamjee Road, Rawalpindi Cantt.

Tel: (92-51) 551-3110, 551-4492, 552-0962 Fax: (92-51) 551-3109

E-Mail: bclrwp@isb.paknet.com.pk

SHARES DEPARTMENT

Progressive Management Services (Pvt.) Ltd

10th Floor, Mehdi Towers, A-115

S.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 Limited

United Bank Limited

Citibank Limited

Bank Alfalah Limited

BESTWAY CEMENT LIMITED
QUARTERLY REVIEW

The Directors take pleasure in presenting the Company's accounts for the nine months ended 31st March, 2008.

Industry Overview

Demand for cement continued to grow during the period under review. Despatches of cement by the industry stood at 21.9 million tonnes as against 17.6 million tonnes for the same period last year representing a growth of 24%. The industry achieved an overall capacity utilisation of 79% for the nine months under review as against 78% for the corresponding period of last year. The increase in capacity utilisation was despite substantial increase in the industry's production capacity to 38.95 million tonnes which existed at the end of the period under review from 30.1 million tonnes at the end of the corresponding period of last year.

Production & Sales

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

	<u>Nine Months</u>		<u>Quarter</u>	
	2008	2007	2008	2007
(In tonnes)				
Production:				
Clinker	1,963,011	1,541,808	714,822	486,624
Cement	1,831,223	1,631,407	665,966	574,903
Despatches	1,845,450	1,611,846	702,501	580,991

Cement despatches for your Company for the nine month period registered an increase of 233,604 tonnes over the corresponding period last year representing an increase of 14%. The capacity utilisation of the Company during the nine months under review stood at 81% which is 2% higher than the industry average.

Operating Highlights

Turnover net of sales tax, excise duty and rebates and discounts to customers stood at Rs.4,772 million in the nine months ended 31st March, 2008 as compared to Rs.4,039 million in the corresponding period last year which is an increase of 18%. Gross profit decreased from Rs.673 million to Rs.386 million during the period under review which is a decrease of 43%. This was primarily due to higher production costs on the back of ever-increasing fuel prices and fierce competition in the market resulting in lower selling prices.

Financial charges decreased by 7% to Rs.842 million for the nine months ended 31st March, 2008 as compared to Rs.904 million for the corresponding period last year.

The Company incurred a loss of Rs.399.6 million before taxation for the period under review as compared to loss of Rs.161.3 million for the same period of last year. Loss after taxation for the nine months amounted to Rs.298 million as compared to loss of Rs.57 million for the corresponding period of last year. Lower net retention prices and higher cost of production were the major contributing factors for the increase in loss.

Chakwal Project - Line II

Work on the second 6,000 tpd cement line at Chakwal progressed satisfactorily during the period under review. The project is expected to be completed during the fourth quarter of the current financial year.

Waste Heat Recovery Project

Work on the waste heat recovery project has commenced and the project is progressing satisfactorily. It is expected that the project will be completed during 2nd half of financial year 2008-2009.

Future Outlook

Recent general elections should bring about political stability in the country which will no doubt have a positive impact on the economy. With the end of winter season, cement off take in the north of the country and exports to Afghanistan should pick significantly. While there is no sign of a decline in fuel prices in the near future, increased demand, both in the domestic and export markets, is likely to result in stable prices and better profitability for your 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

April 30, 2008

Zameer M. Choudrey
Chief Executive

BESTWAY CEMENT LIMITED
BALANCE SHEET AS AT MARCH 31, 2008

	Unaudited March 31 2008 Rupees	Audited June 30 2007 Rupees		Unaudited March 31 2008 Rupees	Audited June 30 2007 Rupees
Note			Note		
Share capital and reserves			Non-current assets		
Authorised share capital			Fixed Assets		
300,000,000 ordinary shares of Rs. 10 each	3,000,000,000	3,000,000,000	Property, plant and equipment	6 9,518,181,876	9,792,103,067
			Capital work in progress	7 6,031,458,883	4,383,271,686
				15,549,640,759	14,175,374,753
Issued, subscribed and paid up share capital	2,832,587,750	2,575,079,770	Investment property	277,155,456	277,155,456
Share premium account	901,277,930	-	Long term investments	5,735,517,554	5,514,775,613
Surplus on remeasurement of available for sale investment to fair value	437,623,820	437,623,820	Long term advances and deposits	112,390,847	307,325,047
Unappropriated profit	1,553,594,782	1,851,979,758		21,674,704,616	20,274,630,869
Advance for issue of right shares	-	1,116,466,140			
	5,725,084,282	5,981,149,487			
Non-current liabilities					
Long term financing - secured	4 11,683,333,334	12,380,000,005			
Liabilities against assets subject to finance lease	227,054,048	227,054,048			
Deferred liabilities	936,569,796	1,055,573,197			
Long term advance	14,874,660	23,607,975			
	12,861,831,838	13,686,235,225			
Current liabilities			Current assets		
Trade and other payables	1,010,350,485	693,718,916	Stores, spare parts and loose tools	1,205,539,510	1,062,334,034
Markup payable	681,175,902	260,111,697	Stock in trade	775,589,200	290,830,696
Short term borrowings - secured	3,132,325,542	756,384,619	Trade debts- considered good	113,440,272	84,633,511
Current portion of long term financing	1,453,333,334	1,703,832,354	Advances, deposits, prepayments and other receivables	821,068,482	482,675,425
	6,277,185,263	3,414,047,586	Bank balances	273,759,303	886,327,763
				3,189,396,767	2,806,801,428.58
	24,864,101,383	23,081,432,298		24,864,101,383	23,081,432,298
Contingencies and commitments					
		5			

The annexed notes from 1 to 10 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR & CFO

BESTWAY CEMENT LIMITED
PROFIT AND LOSS ACCOUNT - UNAUDITED
FOR THE PERIOD ENDED MARCH 31, 2008

	Nine months ended March 31,		Quarter ended March 31,	
	2008 Rupees	2007 Rupees	2008 Rupees	2007 Rupees
Sales - net	4,772,294,254	4,038,740,842	1,989,200,630	1,405,040,607
Cost of sales	4,385,976,319	3,365,612,176	1,774,150,179	1,214,673,971
Gross profit	386,317,935	673,128,667	215,050,450	190,366,636
Administration and general expenses	102,097,137	79,439,813	36,998,004	12,332,714
Distribution cost	51,316,773	27,622,765	22,042,294	9,947,143
Finance cost	841,842,323	904,213,898	269,898,367	300,842,586
Other income	(209,348,537)	(176,872,243)	(186,052,191)	(151,590,447)
	785,907,696	834,404,232	142,886,474	171,531,996
(Loss) / Profit before taxation	(399,589,761)	(161,275,566)	72,163,976	18,834,641
Taxation - current	24,308,956	20,263,004	10,393,488	3,646,015
- deferred	(125,513,741)	(124,368,721)	15,163,587	18,845,662
(Loss) / Profit after taxation	(298,384,976)	(57,169,849)	46,606,901	(3,657,036)
(Loss) / Earnings per share (basic and diluted)	(1.08)	(0.22)	0.16	(0.01)

The annexed notes from 1 to 10 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR & CFO

BESTWAY CEMENT LIMITED
CASH FLOW STATEMENT - UNAUDITED
FOR THE NINE MONTHS ENDED MARCH 31, 2008

	March 2008	March 2007
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(399,589,761)	(161,275,566)
Adjustments for:		
Gain on disposal of property, plant and equipment	(1,236,912)	(253,663)
Depreciation	347,769,277	309,309,099
Rental income	(15,523,230)	(7,874,820)
Profit on deposit accounts	(2,012,815)	(3,911,939)
Finance cost	841,842,323	904,213,898
Provision for staff retirement benefits	10,554,466	7,306,553
Dividend income	(185,751,564)	(148,601,250)
Exchange loss/ (gain)	11,904,071	(914,325)
	<u>1,007,545,615</u>	<u>1,059,273,553</u>
	607,955,854	897,997,987
Increase in stores, spare parts and loose tools	(143,205,476)	(193,443,513)
Increase in stock in trade	(484,758,504)	(47,921,004)
Increase in trade debts	(28,806,762)	(983,113)
Increase in advances, deposits, prepayments and other receivables	(122,505,252)	(332,144,274)
Increase in trade and other payables	323,421,484	115,788,781
	<u>(455,854,509)</u>	<u>(458,703,123)</u>
Cash generated from operations	152,101,346	439,294,864
Finance cost paid	(917,835,464)	(539,602,187)
Staff retirement benefits paid	(4,044,125)	-
Income tax paid	(54,445,197)	(28,737,059)
	<u>(976,324,786)</u>	<u>(568,339,246)</u>
Net cash used in operating activities	(824,223,440)	(129,044,382)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in capital work in progress	(1,150,748,435)	(2,185,371,668)
Additions in property, plant and equipment	(75,153,601)	(374,734,172)
Proceeds from sale of property, plant and equipment	2,161,012	637,664
Additions to long term investments and advances	(25,807,740)	(1,241,850)
Profit earned on deposit accounts	2,012,815	6,310,925
Net cash used in investing activities	(1,247,535,950)	(2,554,399,101)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short term finances	2,375,940,923	137,600,223
Long term financing - repayments	(2,242,152,391)	(299,974,997)
Long term financing - addition	1,294,986,700	2,860,000,000
Proceeds from issue of right shares	42,319,770	-
Dividend Paid	-	(124,303,363)
Net cash generated from financing activities	1,471,095,002	2,573,321,863
Net decrease in cash and cash equivalents	(600,664,389)	(110,121,620)
Cash and cash equivalents at beginning of the period	886,327,763	419,561,826
Exchange (loss)/ gain	(11,904,071)	914,325
Cash and cash equivalents at end of the period	<u>273,759,304</u>	<u>310,354,531</u>

The annexed notes from 1 to 10 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR & CFO

BESTWAY CEMENT LIMITED
STATEMENT OF CHANGES IN EQUITY - UNAUDITED
FOR THE NINE MONTHS ENDED MARCH 31, 2008

	Issued, subscribed and paid up share capital	Share premium account	Surplus on remeasurement of available for sale investment to fair value	Advance for issue of right shares	Unappropriated profit	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2006	2,340,981,610	-	240,343,819	-	2,268,637,347	4,849,962,776
Profit after tax for the period ended March 31, 2007	-	-	-	-	(57,169,849)	(57,169,849)
Final dividend for the year ended June 30, 2006 @ 10% (Re 1 per share)	-	-	-	-	(234,098,160)	(234,098,161)
Bonus shares issued for the year ended June 30, 2006 @ 10%	234,098,160	-	-	-	(234,098,160)	-
Surplus on remeasurement of available for sale investment to fair value	-	-	503,697,977	-	-	503,697,977
Balance as at March 31, 2007	2,575,079,770	-	744,041,796	-	1,743,271,178	5,062,392,743
Profit after tax for the quarter ended June 30, 2007	-	-	-	-	108,708,580	108,708,580
Surplus on remeasurement of available for sale investment to fair value	-	-	(306,417,977)	-	-	(306,417,977)
Advance for issue of shares received during the period	-	-	-	1,116,466,140	-	1,116,466,140
Balance as at June 30, 2007	2,575,079,770	-	437,623,819	1,116,466,140	1,851,979,758	5,981,149,487
Advance for issue of shares received during the period	-	-	-	42,319,770	-	42,319,770
Right Issues (1 Right Share for every 10 Shares held as on June 30, 2007)	257,507,980	-	-	(257,507,980)	-	-
Premium on Issue of Right Shares	-	901,277,930	-	(901,277,930)	-	-
Loss after tax for the period ended March 31, 2008	-	-	-	-	(298,384,976)	(298,384,976)
Balance as at March 31, 2008	2,832,587,750	901,277,930	437,623,819	-	1,553,594,782	5,725,084,282

The annexed notes from 1 to 10 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR & CFO

BESTWAY CEMENT LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2008

1. LEGAL STATUS AND OPERATIONS

Bestway Cement Limited ("the Company") is a public company incorporated in Pakistan on December 22, 1993 under the Companies Ordinance, 1984 and is listed on the Karachi Stock Exchange since April 9, 2001. The Company is engaged in production and sale of

2. BASIS OF PREPARATION

These interim condensed financial statements are unaudited and are being submitted to shareholders as required under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting".

3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these interim condensed financial statements are the same as those applied in preparation of annual financial statements of the Company for the year ended June 30, 2007.

	Unaudited	Audited
	March 31,	June 30,
	2008	2007
	Rupees	Rupees
4. LONG TERM FINANCING		
Balance at the beginning of period/year	14,083,832,359	10,125,465,687
Disbursements during the period/year	1,294,986,700	5,000,000,000
	15,378,819,059	15,125,465,687
Repayments during the period/year	(2,242,152,391)	(1,041,633,328)
	13,136,666,668	14,083,832,359
Amount payable within 12 months shown as current liabilities	(1,453,333,334)	(1,703,832,354)
Balance at the end of the period/year	<u>11,683,333,334</u>	<u>12,380,000,005</u>

5. CONTINGENCIES AND COMMITMENTS

5.1 Letters of credit issued by various banks in respect of credits and contracts for Chakwal Plant outstanding at the period end amounted to Rs. 2,095,496,024 (June 30, 2007 : Rs 1,347,220,082).

5.2 Certain banks have issued guarantees aggregating Rs. 71,415,746 (June 30, 2007: Rs.68,569,696) on behalf of the Company in the ordinary course of business. All bank guarantees are secured by way of charge over fixed assets of the Company.

6. PROPERTY, PLANT AND EQUIPMENT

Book value at the beginning of the period/year		9,792,103,067	9,752,139,389
Additions during the period/year	6.1	75,153,602	469,883,521
Book value of disposals during the period/year		(924,100)	(6,261,446)
Depreciation charge for the period/year		(348,150,692)	(423,658,397)
Book value at end of the period/year		<u>9,518,181,876</u>	<u>9,792,103,067</u>

6.1 Additions during the period/year

Freehold land	12,162,474	25,070,705
Leasehold land	-	202,000
Buildings	8,230,973	161,169,333
Plant and machinery	24,308,361	81,245,490
Quarry equipment	11,392	127,115,278
Other equipment	13,268,435	12,180,272
Furniture and fixture	5,449,805	17,027,286
Office equipment	2,502,862	34,804,506
Vehicles	9,219,301	11,068,650
	<u>75,153,602</u>	<u>469,883,521</u>

BESTWAY CEMENT LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2008

	Unaudited	Audited
	March 31,	June 30,
	2008	2007
Note	Rupees	Rupees
7. CAPITAL WORK IN PROGRESS		
Balance at the beginning of the period/year	4,383,271,686	936,567,384
Additions during the period/year	1,640,496,516	3,576,442,720
Transfers during the period/year	7.1 7,690,681	(129,738,418)
Balance at the end of the period/year	7.2 <u>6,031,458,883</u>	<u>4,383,271,686</u>
7.1 Transfers during the period/year		
Plant, machinery and other equipment	7,690,681	124,799,323
Building and civil works	-	4,939,095
	<u>7,690,681</u>	<u>129,738,418</u>
7.2 Balance at the end of the period/ year represents		
Plant and machinery and other equipment-owned	3,780,509,650	2,750,653,101
Plant and machinery and other equipment-leased	227,054,049	227,054,048
Building and civil works	942,103,498	750,526,549
Advances against capital expenditure	183,794,824	330,489,232
Stores and spares held for Chakwal project	77,096,015	28,726,263
Borrowing cost	745,847,437	248,790,090
Other directly attributable expenses	75,053,410	47,032,402
	<u>6,031,458,883</u>	<u>4,383,271,686</u>

8. TRANSACTIONS WITH RELATED PARTIES

Bestway (Holdings) Limited, U.K. is the ultimate parent company, therefore all subsidiaries and associated undertakings of Bestway (Holdings) Limited, U.K are related parties of the Company. Other related parties comprise of subsidiary company, associated undertakings, entities with common directorships, directors and key management personnel . Transactions with related parties during the period are disclosed below:

	Unaudited	
	Period ended March 31,	
	2008	2007
	Rupees	Rupees
Parent company- Bestway (Holdings) Limited, U.K.		
Management charges (expense)	1,144,919	1,224,959
Bonus shares issued	-	234,098,160
Subsidiary company- Mustehkam Cement Limited		
Advances given to meet working capital requirements	251,920,702	523,835,994
Recoveries made	158,399,435	397,218,713
Purchase of cement	-	43,943,952
Sale of cement	-	77,550
Purchase of clinker	92,862,799	-
Management charges (income)	13,500,000	13,500,000
Markup on advances given	3,120,318	10,488,666
Expenses incurred	14,093,155	12,495,716
Sale of coal	150,809,945	-
Advance given for purchase of cement	380,023	143,295,441
Associated undertakings by virtue of common directorship		
Dividend Income	185,751,564	148,601,250
Service/bank charges	1,660,257	2,303,412
Management charges (income)	360,000	360,000
Office rent paid	472,500	384,361
Utility expense paid	74,944	43,545
Other related parties		
Remuneration including benefits and perquisites of key management personnel	70,115,274	58,105,934

BESTWAY CEMENT LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2008

9. DATE OF AUTHORISATION

The interim condensed financial statements were authorised for issue by the Board of Directors of the Company in the meeting held on **30 April 2008**.

10. GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR & CFO