

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

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

Head Office

5th Floor, UBL Building, Jinnah Avenue, 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

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

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
QUARTERLY REVIEW

The Directors take pleasure in presenting the Company's accounts for the nine months ended March 31, 2003.

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>	
	2003	2002	2003	2002
(In tonnes)				
Production:				
Clinker	499,560	410,489	106,226	23,580
Cement	606,653	446,555	232,202	150,604
Despatches	604,368	464,950	232,972	150,816

Despatches of cement registered an increase of 139,418 tonnes over the corresponding last year's nine-month period. This is an increase of 30% for the nine months. As a consequence, the capacity utilisation during the period under review was 78% for the nine months as compared to 60% for the corresponding period of last year.

Operating Results:

Net sales stood at Rs. 1,296 million in the nine-month period ended 31st March 2003 as compared to Rs. 1,263 million in the corresponding period of last year, which is an overall increase of 3%. The operating profit decreased from Rs. 359 million to Rs. 243 million during the nine months under review.

Financial charges stood at Rs. 218 million for the nine months ended 31st March 2003 as against Rs. 202 million for the corresponding period of last year which is an increase of 8%.

The Company posted a pre tax profit of Rs. 47 million in the nine months period ended 31st March 2003 as compared to Rs. 160 million in the corresponding period last year. This represents a decrease of 71%. The drop in pre tax profit is a result of persistently 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. 114.526 million, of which Rs. 13.511 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

May 6, 2003

Zameer M. Choudrey
Chief Executive

BESTWAY CEMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2003

	<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 nine months ended March 31, 2002	-	153,806,649	153,806,649
Balance at March 31, 2002	<u>1,934,695,550</u>	<u>222,585,754</u>	<u>2,157,281,304</u>
Profit after taxation for the quarter ended June 30, 2002	-	166,083,870	166,083,870
	<u>1,934,695,550</u>	<u>388,669,624</u>	<u>2,323,365,174</u>
Appropriation:			
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 nine months ended March 31, 2003	-	26,764,187	26,764,187
Adjustment for deferred taxation	-	(101,014,846)	(101,014,846)
Balance at March 31, 2003	<u><u>1,934,695,550</u></u>	<u><u>169,316,799</u></u>	<u><u>2,104,012,349</u></u>

BESTWAY CEMENT LIMITED
BALANCE SHEET AS AT MARCH 31, 2003

	March 2003 Rupees	June 2002 Rupees		March 2003 Rupees	June 2002 Rupees
Capital and reserves			Tangible fixed assets		
<i>Authorised share capital</i>			Operating assets	3,159,171,761	3,286,693,981
200,000,000 ordinary shares of Rs. 10 each	2,000,000,000	2,000,000,000	Capital work in progress	185,343,001	28,165,586
				3,344,514,763	3,314,859,567
<i>Issued, subscribed and paid up share capital</i>			Long term deposits, prepayments and deferred costs		
193,469,555 ordinary shares of Rs.10 each issued for cash consideration	1,934,695,550	1,934,695,550		20,630,313	25,588,632
<i>Accumulated profit</i>	169,316,799	243,567,458	Long term investments		
	2,104,012,349	2,178,263,008		2,327,295,330	598,197,560
Long term finance	2,244,844,892	1,578,805,649			
Liabilities against assets subject to finance lease	-	-			
Deferred liabilities	129,946,169	13,515,428	Current assets		
Current liabilities			Stores, spares and loose tools	290,648,726	283,348,518
Short term finance	601,234,555	185,877,476	Stock in trade	44,118,132	129,371,498
Current maturity of long term liabilities	985,809,762	432,095,966	Receivable from customers	34,980,626	45,576,823
Creditors, provisions, accrued and other liabilities	256,956,711	229,769,909	Advances, deposits, prepayments and other receivables	70,381,581	62,984,937
Dividend payable	96,845,798	145,102,166	Short term investments	242,037,503	287,396,827
	1,940,846,826	992,845,517	Cash and bank balances	45,043,263	16,105,240
				727,209,830	824,783,843
Contingencies and commitments	-	-			
	6,419,650,236	4,763,429,602		6,419,650,236	4,763,429,602
				0	(0)
				0	(0)

CHIEF EXECUTIVE

DIRECTOR

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

	Nine Months Ended March 31 2003 Rupees	Nine Months Ended March 31 2002 Rupees	Quarter Ended March 31 2003 Rupees	Quarter Ended March 31 2002 Rupees
Sales - net	1,295,997,418	1,263,482,519	435,993,275	419,691,492
Cost of sales	1,010,497,538	864,311,608	408,843,015	314,624,941
Gross profit	285,499,881	399,170,910	27,150,260	105,066,552
Operating expenses				
Administration and general	28,243,238	23,288,660	8,566,303	7,077,971
Selling and distribution	14,711,283	16,703,185	5,482,300	6,318,122
	42,954,521	39,991,845	14,048,603	13,396,093
Operating profit	242,545,360	359,179,065	13,101,657	91,670,459
Financial charges	218,372,133	201,957,899	79,757,408	60,555,581
Other (income)/ expenses	(25,264,150)	(11,443,358)	(7,707,046)	(18,442,645)
Workers profit participation fund	2,471,869	8,433,226	(2,947,435)	2,477,876
	195,579,851	198,947,767	69,102,927	44,590,811
Profit before taxation	46,965,508	160,231,299	(56,001,270)	47,079,647
Provision for taxation (current)	6,690,125	6,424,649	2,253,147	2,144,714
(deferred)	13,511,196	-	(9,391,941)	-
Profit after taxation	26,764,187	153,806,649	(48,862,476)	44,934,934
Accumulated profit/(loss) brought forward	243,567,458	68,779,105	218,179,275	138,449,303
Adjustment for deferred tax provision				
(prior periods)	(101,014,846)	-	-	-
Accumulated profit/(loss) carried forward	169,316,799	222,585,754	169,316,799	183,384,237
Earnings per share	0.14	0.79	(0.25)	0.23

CHIEF EXECUTIVE

DIRECTOR

BESTWAY CEMENT LIMITED
CASH FLOW STATEMENT FOR THE NINE MONTHS
FROM JULY 01, 2002 TO MARCH 31, 2003

	March 31 2003 Rupees	March 31 2002 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	46,965,508	160,231,299
Adjustments for:		
(Profit)/ loss on sale of fixed assets	(570,360)	42,386
Depreciation	134,662,920	142,716,061
Profit on investments	(23,755,419)	(33,471,545)
Financial Charges	218,372,133	201,957,899
Deferred costs' amortisation	4,958,319	674,290
Provision for staff retirement benefits	1,904,699	935,876
Exchange (gain)/ loss	(401,161)	22,139,527
	<u>335,171,131</u>	<u>334,994,493</u>
Operating profit before working capital changes	382,136,639	495,225,792
Increase in current assets	92,466,271	47,479,048
Increase/ (decrease) in current liabilities	2,574,694	(116,218,721)
	<u>95,040,964</u>	<u>(68,739,674)</u>
Cash generated from operations	477,177,604	426,486,118
Financial charges paid	(188,617,060)	(199,538,639)
Income tax paid	(16,842,893)	(2,016,377)
	<u>(205,459,952)</u>	<u>(201,555,016)</u>
Net cash generated from operating activities	271,717,651	224,931,103
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Work In Progress	(157,177,415)	(16,850,149)
Purchase of fixed assets	(8,740,838)	(10,222,891)
Proceeds from sale of fixed assets	2,170,497	2,358,287
Income from Investments	17,451,663	20,072,827
Exchange gain/ (loss) on purchase of foreign currency	1,175	(1,199,389)
Long term investments	(1,729,097,770)	-
Short term investments	17,650,630	119,873,315
Net cash generated/used) in investing activities	(1,857,742,057)	114,032,000
CASH FLOWS FROM FINANCING ACTIVITIES		
Long Term Loans	1,302,944,993	286,493,432
Finance Lease Principal Repaid	(55,083,274)	(46,362,490)
Short Term Finances	415,357,079	(606,433,565)
Dividend Paid	(48,256,369)	-
Net cash used in financing activities	1,614,962,429	(366,302,623)
CASH EQUIVALENTS		
Cash and cash equivalents at 1st July	16,105,240	61,438,682
Cash and cash equivalents at 31st March	45,043,262	34,099,163

CHIEF EXECUTIVE

DIRECTOR

BESTWAY CEMENT LIMITED
NOTES TO THE ACCOUNTS FOR THE NINE MONTHS ENDED MARCH 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 2002, except for the policy for deferred taxation mentioned below.
4. The company has accounted for a deferred tax liability of Rs. 114.526 million as per the requirement of International Accounting Standard 12 (revised 2000) "Income Taxes". The previous periods figures have not been restated.
5. There were no contingencies and commitments of the Company as at March 31, 2003.
6. 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