

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 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 Avanne, 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
QUARTERLY REVIEW

The Directors take pleasure in presenting the Company's accounts for the nine months ended 31st March, 2004.

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>	
	2004	2003	2004	2003
(In tonnes)				
Production:				
Clinker	664,459	499,560	160,818	106,226
Cement	724,272	606,653	276,329	232,202
Despatches	736,183	604,368	268,718	232,972

Cement despatches for the nine months ended 31st March 2004 increased by 131,815 tonnes to 736,183 tonnes representing an increase of 22% over the corresponding period last year. This was primarily due to a significant pickup in both domestic sales and exports to Afghanistan. 171,749 tonnes of cement was exported to Afghanistan during the 9-month period as against 59,390 tonnes exported in the corresponding period last year, which is an increase of 289%. Bestway Cement Limited successfully retained its position as the leading cement exporter to Afghanistan in the 3rd quarter. Bestway Cement's market share of exports for the 9-month period was 23%. Capacity utilisation during the period under review was 94% as compared to an average of 77% for the industry.

Operating Results:

Net sales stood at Rs.1,844 million in the nine months ended 31st March, 2004 as compared to Rs.1,296 million in the corresponding period last year, which is an increase of 42%. Operating profit increased from Rs.243 million to Rs.659 million during the period under review which is an increase of 172%. This has been possible due to stable selling prices as well as growth in volumes, both domestic and export. Coal prices however have seen an unprecedented increase throughout the period; hence the growth in operating profit was somewhat restricted.

We are delighted to inform you that your investment in United Bank Limited has paid off as the Bank declared a handsome dividend of 22.5% for the year ended 31st December, 2003. Other income includes Rs.89.16 million on account of this dividend.

Financial charges declined by 49% to Rs.110 million for the nine months ended 31st March, 2004 as compared to Rs.218 million for the corresponding period last year. This was primarily due to the fact that some of our loan facilities were renegotiated during the year.

The Company registered a profit before tax of Rs.628 million in the nine months ended 31st March, 2004 as against Rs.47 million in the corresponding period last year, which is a substantial increase of 1,236%. Profit after tax increased to Rs.470 million from Rs.27 million, which is an increase of 1,641%.

Future Outlook:

Prices during the nine months under review remained fairly stable for both domestic and export sales. The off-take in both domestic and export markets continued its upward trend and recently the export price has started strengthening which bodes well for the future. Despatches to both markets are expected to increase along with further improvement in selling price for exports. These factors coupled with continued 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

April 29, 2004

Zameer M. Choudrey
Chief Executive

BESTWAY CEMENT LIMITED
BALANCE SHEET AS AT MARCH 31, 2004

	March 2004 Rupees	June 2003 Rupees		March 2004 Rupees	June 2003 Rupees
Capital and reserves			Tangible fixed assets		
<i>Authorised share capital</i>			Operating assets	3,211,303,517	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	3,724,696	490,983
				3,215,028,213	3,306,068,663
<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		18,890,547	19,190,309
<i>Accumulated profit/(loss)</i>	716,151,946	245,949,188	Long term investments		
	2,650,847,496	2,180,644,738		1,862,819,950	1,864,950,530
Long term finance	1,854,908,333	1,700,900,000			
Deferred liabilities	163,570,366	19,987,496	Current assets		
			Stores, spares and loose tools	337,042,137	318,619,483
Current liabilities			Stock in trade	99,566,608	155,641,894
Short term finance	749,079,011	1,154,265,674	Receivable from customers	40,493,838	64,068,687
Current maturity of long term liabilities	779,971,667	1,066,938,356	Advances, deposits, prepayments and other receivables	173,984,781	59,597,495
Creditors, provisions, accrued and other liabilities	284,479,091	266,473,636	Short term investments	700,779,530	704,557,810
Dividend	-	145,102,166	Cash and bank balances	34,250,359	41,617,196
	1,813,529,769	2,632,779,833		1,386,117,254	1,344,102,565
Contingencies and commitments	-	-			
	6,482,855,964	6,534,312,067		6,482,855,964	6,534,312,067

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 MARCH 31, 2004

	Nine Months Ended March 31 2004 Rupees	Nine Months Ended March 31 2003 Rupees	Quarter Ended March 31 2004 Rupees	Quarter Ended March 31 2003 Rupees
Sales - net	1,843,915,448	1,295,997,418	657,072,510	435,993,275
Cost of sales	1,150,244,895	1,010,497,538	409,719,272	408,843,015
Gross profit	693,670,553	285,499,881	247,353,238	27,150,260
Operating expenses				
Administration and general	20,236,823	28,243,238	6,052,259	8,566,303
Selling and distribution	14,833,507	14,711,283	4,491,598	5,482,300
Operating profit	35,070,330	42,954,521	10,543,857	14,048,603
	658,600,223	242,545,360	236,809,381	13,101,657
Financial charges	110,288,952	218,372,133	33,518,212	79,757,408
Other income	(112,251,698)	(25,264,150)	(97,791,153)	(7,707,046)
Workers profit participation fund	33,028,148	2,471,869	15,054,116	(2,947,435)
	31,065,403	195,579,851	(49,218,825)	69,102,927
Profit before taxation	627,534,820	46,965,508	286,028,206	(56,001,270)
Provision for taxation (current)	16,433,101	6,690,125	8,853,746	2,253,147
(deferred)	140,898,961	13,511,196	43,368,730	(9,391,941)
Profit/ (loss) after taxation	470,202,758	26,764,187	233,805,730	(48,862,476)
Accumulated profit/(loss) brought forward	245,949,188	243,567,458	482,346,217	218,179,275
Adjustment for deferred tax provision				
(prior periods)	-	(101,014,846)	-	-
Accumulated profit/(loss) carried forward	716,151,946	169,316,799	716,151,947	169,316,798
Earnings per share	2.43	0.14	1.21	(0.25)

CHIEF EXECUTIVE

DIRECTOR & CFO

BESTWAY CEMENT LIMITED
CASH FLOW STATEMENT FOR THE NINE MONTHS
FROM JULY 01, 2003 TO MARCH 31, 2004

	March 31 2004 Rupees	March 31 2003 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	627,534,820	46,965,508
Adjustments for:		
Profit on sale of fixed assets	(280,713)	(570,360)
Depreciation	146,749,494	134,662,920
Profit on investments	(22,094,326)	(23,755,419)
Financial Charges	110,288,952	218,372,133
Deferred costs' amortisation	299,762	4,958,319
Provision for staff retirement benefits	2,683,909	1,904,699
Exchange loss/ (gain)	664,363	(401,161)
	<u>238,311,442</u>	<u>335,171,131</u>
Operating profit before working capital changes	865,846,262	382,136,639
 (Decrease)/ Increase in current assets	<u>(37,900,300)</u>	<u>92,466,271</u>
Increase/ (decrease) in current liabilities	19,028,143	2,574,694
	<u>(18,872,157)</u>	<u>95,040,964</u>
Cash generated from operations	846,974,105	477,177,604
 Financial charges paid	<u>(111,311,640)</u>	<u>(188,617,060)</u>
Income tax paid	<u>(24,369,750)</u>	<u>(16,842,893)</u>
	<u>(135,681,390)</u>	<u>(205,459,952)</u>
Net cash generated from operating activities	711,292,715	271,717,651
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Work In Progress	(3,233,713)	(157,177,415)
Purchase of fixed assets	(56,340,277)	(8,740,838)
Proceeds from sale of fixed assets	4,145,660	2,170,497
Income from Investments	14,771,468	17,451,663
Exchange gain on purchase of foreign currency	668,828	1,175
Long term investments	2,130,580	(1,729,097,770)
Short term investments	-	17,650,630
Net cash generated/(used) in investing activities	(37,857,454)	(1,857,742,057)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long Term Loans	(130,520,439)	1,302,944,993
Finance Lease Principal Repaid	-	(55,083,274)
Short Term Finances	(405,186,663)	415,357,079
Dividend Paid	(145,102,166)	(48,256,369)
Net cash used in financing activities	(680,809,269)	1,614,962,429
CASH EQUIVALENTS		
Cash and cash equivalents at 1st July	41,617,196	16,105,240
Exchange Difference on US\$ bank accounts	7,171	-
Cash and cash equivalents at 31st March	34,250,359	45,043,262

CHIEF EXECUTIVE

DIRECTOR & CFO

BESTWAY CEMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2004

	<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 nine months ended March 31, 2003	-	26,764,187	26,764,187
Balance at March 31, 2003	<u>1,934,695,550</u>	<u>305,172,082</u>	<u>2,239,867,632</u>
Profit after taxation for the quarter ended June 30, 2003	-	85,879,272	85,879,272
	<u>1,934,695,550</u>	<u>391,051,354</u>	<u>2,325,746,904</u>
Appropriation:			
Dividend	-	145,102,166	145,102,166
Balance at June 30, 2003	<u>1,934,695,550</u>	<u>245,949,188</u>	<u>2,180,644,738</u>
Profit after taxation for the nine months ended March 31, 2004	-	470,202,758	470,202,758
Adjustment for deferred taxation	-	-	-
Balance at March 31, 2004	<u><u>1,934,695,550</u></u>	<u><u>716,151,946</u></u>	<u><u>2,650,847,496</u></u>

CHIEF EXECUTIVE

DIRECTOR & CFO

BESTWAY CEMENT LIMITED**NOTES TO THE ACCOUNTS FOR THE NINE MONTHS ENDED MARCH 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.

The accounts & explanatory notes have been prepared in accordance the requirements of the International Accounting Standard No. 34 'Interim Financial Reporting' and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance 1984 and the listing regulations of Karachi Stock Exchange.

The financial statement comprise of the balance sheet as at March 31, 2004 and the profit & loss account, statement of changes in equity and the cash flow statement for the nine months period ended March 31, 2004, which have been subjected to review

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. Long term Finance	March 31, 2004	June 30, 2003
	Rupees	Rupees
Opening balance	2,767,838,356	1,895,777,576
Add: Disbursement during the period	435,000,000	1,694,423,560
Less: Repayment during the period	565,478,356	796,796,406
Exchange adjustments	2,480,000	25,599,374
	567,958,356	822,395,780
Less: Current portion shown under current liabilities	779,971,667	1,066,938,356
	<u>1,854,908,333</u>	<u>1,700,867,000</u>

5. Contingencies and Commitments:

In respect of letter of credits	105,913,461	89,441,193
In respect of bank guarantees	119,057,082	116,057,082
In respect of insurance guarantees	30,000,000	15,000,000

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.

7. These Financial statements were authorized for issue on 29th April 2004 by the Board of Directors of the Company.

CHIEF EXECUTIVE

DIRECTOR & CFO

