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BOARD OF DIRECTORS

Sir Mohammed Anwar Pervez, O.B.E, H.Pk.	Chairman
Mr. Zameer Mohammed Choudrey	Chief Executive
Mr. Arshad Mehmood Chaudhary	Director
Mr. Muhammad Irfan A. Sheikh	Director Finance & CFO
Mr. Mazhar Rafi	Director Administration & Marketing
Mr. Ghulam Sarwar Malik	Director Projects, Procurement & Coordination
Mr. Mehmood Afzal	Director Works

COMPANY SECRETARY

Mr. Kaleem Ashraf, ACA

STATUTORY AUDITORS

KPMG Taseer Hadi & Co. , Chartered Accountants

COST AUDITORS

BDO Ebrahim & Co. , Chartered Accountants.

LEGAL ADVISORS

Raja M. Bashir, Advocate Supreme Court.

AUDIT COMMITTEE

Mr. Mazhar Rafi	Chairman
Mr. Ghulam Sarwar Malik	
Mr. Mehmood Afzal	

REGISTERED / HEAD OFFICE

Bestway Building, 19-A, College Road, F-7 Markaz, Islamabad.
Tel: (92-51) 265 4856 ~63 , Fax: (92-51) 265 4865/265 4992
E-mail: management@bestway.com.pk

PLANT SITE

Hattar
Suraj Gali Road, Village Shadi, Hattar, Distt. Haripur.
Khyber Pakhtunkhwa Pakistan.
Tel: (92) 0995 639261-3, Fax: (92) 0995 639265
E-mail: gmworks1@bestway.com.pk



Chakwal

Village Tatal,
22 Km Kallar Kahar, Choa Saiden Shah Road
Chakwal. Pakistan
Ph: (92) 0543 584560 ~ 3
Email: gmworks3@bestway.com.pk

MARKETING HEAD OFFICE

House# 293-A, Peshawar Road Rawalpindi
Tel: (92-051) 551 3110, 551 4492, 552 0962 Fax: (92-051) 551 3109
E-mail: gmmkt@bestway.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: (92-021) 452 6983 ~ 84, Fax: (92-021) 452 6985

BANKERS

Habib Bank Limited.
MCB Bank Limited.
Allied Bank Limited.
Standard Chartered Bank (Pakistan) Limited.
The Bank of Punjab.
Faysal Bank Limited.
Askari Bank Limited.
Bank Al-Habib Limited.
NIB Bank Limited.
National Bank of Pakistan.
United Bank Limited.
Bank Alfalah Limited.
Barclays Bank PLC, Pakistan.
Soneri Bank Limited.
Meezan Bank Limited.
Silkbank Limited.
HSBC Bank Middle East Limited.
Habib Metropolitan Bank Limited.



The Directors take pleasure in presenting the Company's un-audited accounts for the nine months ended 31 March 2011.

Industry Overview

During the nine months ended 31 March 2011 despatches by the industry shrank by 10% mainly due to floods in the first quarter and cut back of government spending on development projects. Local despatches stood at just 15.98 million tonnes as against 17.38 million tonnes while exports stood at 6.71 million tonnes as against 7.86 million tonnes in the same period of last year.

Production and Sales

	Nine Months Ended 31st March		Quarter Ended 31st March	
	2011 Tonnes	2010 Tonnes	2011 Tonnes	2010 Tonnes
Clinker production	1,968,935	2,816,523	698,741	841,666
Cement production	2,345,233	3,202,622	834,055	1,059,297
Despatches cement	2,330,420	3,195,821	853,345	1,052,496
- clinker	100	3,801	100	362

The capacity utilisation of the Company during the nine months under review stood at 65% as against 90% for the same period of last year. Significantly lower off take of cement and shutdown at Hattar plant for maintenance resulted in short fall in capacity utilisation.

Operating Highlights

The turnover net of sales tax, excise duty and rebates and discounts to customers stood at Rs. 9,271 million for the nine months as compared to Rs. 10,007 million for the corresponding period of last year.

Financial charges stood at Rs. 1,892 million for the nine months ended 31 March 2011 as against Rs. 1,604 million for the corresponding period of last year which is an increase of 18%. This was primarily due to higher cost of financing and increased borrowings during the period.

Loss before tax for the period under review dropped by 88% from Rs. 721 million for the nine months ended 31 March 2010 to just Rs. 85 million during the nine months ended 31 March 2011. Loss after taxation stood at Rs. 174 million as compared to Rs. 618 million for the same period of last year.



Future Outlook

The cement industry has had to contend with high interest rates, increasing fuel and power costs and increase in duties, taxes and royalty on raw materials. However, selling prices during the period have shown improvement and are likely to rise further in the coming months. Increasing volumes coupled with rising prices bodes well for the future.

On the export front, regional markets like the UAE are likely to remain depressed for the foreseeable future, while other markets like Afghanistan continue to generate good demand for Pakistani cement. Bestway is already firmly established as the leading brands in Afghanistan and your Company will continue to expand its share in that market. Other markets like Africa and India are also likely to continue to generate some demand for our cement.

Your management is cognisant of the challenges that lie ahead and will continue to make all out efforts to ensure further growth and superior returns in the future.

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
30 April 2011
Islamabad



BESTWAY CEMENT LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT 31 MARCH 2011

	Unaudited 31 March 2011	Audited 30 June 2010
Note	Rupees	Rupees
Share capital and reserves		
Authorised share capital		
350,000,000 (2010: 350,000,000) ordinary shares of Rs. 10 each	3,500,000,000	3,500,000,000
Issued, subscribed and paid up share capital	3,257,475,910	3,257,475,910
Share premium account	1,963,498,330	1,963,498,330
Unappropriated profit	1,611,624,996	1,785,148,713
	6,832,599,236	7,006,122,953
Non-current liabilities		
Long term financing - secured	7,921,081,116	9,686,358,893
Liabilities against assets subject to finance lease	132,187,539	154,309,556
Long term murabaha - secured	1,825,000,000	1,885,000,000
Deferred liabilities	475,524,560	386,112,881
	10,353,793,215	12,111,781,330
Current liabilities		
Trade and other payables	1,879,276,508	1,558,426,981
Markup payable	793,978,991	278,889,458
Short term borrowings - secured	5,110,573,341	3,584,835,474
Current portion of long term financing	3,530,555,556	3,419,444,445
Current portion of liabilities against assets subject to finance lease	52,547,136	43,433,792
Current portion of long term murabaha	120,000,000	120,000,000
	11,486,931,532	9,005,030,150
	28,673,323,983	28,122,934,432

Contingencies and commitments

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The annexed notes from 1 to 9 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE



BESTWAY CEMENT LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT 31 MARCH 2011

	Unaudited 31 March 2011	Audited 30 June 2010
Note	Rupees	Rupees
Non-current assets		
Property, plant and equipment	16,458,449,109	16,896,396,926
Investment property	340,715,834	340,715,834
Long term investments	6,096,182,548	6,096,182,548
Long term advances	20,015,000	24,018,000
Long term deposits	71,450,847	70,450,847
	22,986,813,339	23,427,764,155
Current assets		
Stores, spare parts and loose tools	2,801,280,882	2,167,264,132
Stock in trade	633,835,011	785,462,819
Trade debts- considered good	400,932,170	297,188,037
Advances	244,652,217	395,685,381
Deposits and prepayments	26,820,442	7,619,146
Interest accrued	1,557	62,490
Other receivables	402,524,567	30,579,142
Due from Government agencies	922,185,854	823,532,386
Cash and bank balances	254,277,945	187,776,744
	5,686,510,644	4,695,170,277
	28,673,323,983	28,122,934,432

DIRECTOR & CFO



BESTWAY CEMENT LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
(UNAUDITED) FOR THE NINE MONTHS ENDED
31 MARCH 2011

	For the nine months ended		For the three months ended	
	31 March		31 March	
	2011 Rupees	2010 Rupees	2011 Rupees	2010 Rupees
Turnover - net	9,270,853,812	10,006,993,287	3,589,324,736	2,919,447,819
Cost of sales	7,574,626,546	8,441,729,406	2,739,934,189	2,883,791,924
Gross profit	1,696,227,267	1,565,263,881	849,390,547	35,655,895
Administrative expenses	106,043,976	93,598,962	36,090,856	29,514,708
Distribution cost	273,047,815	845,837,764	74,421,150	29,468,141
Finance cost	1,891,826,322	1,603,907,207	647,506,648	562,858,856
Other income	(489,769,080)	(257,321,666)	(383,357,428)	(239,132,926)
	1,781,149,033	2,286,022,268	374,661,225	382,708,779
(Loss)/ profit before taxation	(84,921,766)	(720,758,387)	474,729,321	(347,052,884)
Taxation - Current	16,515,034	87,903,132	5,766,082	38,650,125
- Deferred	72,086,917	(190,859,909)	165,436,295	(151,138,961)
	88,601,951	(102,956,778)	171,202,377	(112,488,836)
(Loss)/ profit for the period	(173,523,717)	(617,801,609)	303,526,945	(234,564,048)
(Loss)/ earnings per share (basic and diluted)	(0.53)	(1.90)	0.93	(0.72)

The annexed notes from 1 to 9 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR & CFO



BESTWAY CEMENT LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED) FOR THE NINE MONTHS ENDED
31 MARCH 2011

	For the nine months ended		For the three months ended	
	31 March		31 March	
	2011 Rupees	2010 Rupees	2011 Rupees	2010 Rupees
(Loss)/profit for the period	(173,523,717)	(617,801,609)	303,526,945	(234,564,048)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period - (loss)	(173,523,717)	(617,801,609)	303,526,945	(234,564,048)

The annexed notes from 1 to 9 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR & CFO



BESTWAY CEMENT LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
(UNAUDITED) FOR THE NINE MONTHS ENDED
31 MARCH 2011

	Nine months ended 31 March	
	2011	2010
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss before taxation	(84,921,766)	(720,758,387)
Adjustments for:		
Loss/(gain) on disposal of property, plant and equipment	7,922,175	(415,005)
Depreciation	536,556,537	486,623,761
Rental income from investment property	(15,036,542)	(8,819,165)
Profit on deposit accounts	(344,559)	(438,057)
Profit on held to maturity investment	-	(6,602)
Finance cost	1,891,826,322	1,603,907,207
Provision for staff retirement benefits	27,826,085	16,687,120
Dividend Income	(468,248,720)	(212,840,325)
Exchange gain	(3,939,450)	(23,721,247)
	1,976,561,847	1,860,977,688
	1,891,640,081	1,140,219,301
(Increase)/ decrease in current assets		
Stores, spare parts and loose tools	(634,016,749)	(182,305,304)
Stock in trade	151,627,808	245,574,588
Trade debts	(103,744,134)	386,772,359
Advances	151,033,165	12,178,784
Deposits and prepayments	(19,201,296)	(745,656)
Accrued profit	60,933	89,941
Other receivables	(371,945,425)	62,648,623
Due from government agencies	(98,653,468)	(128,404,424)
Increase/ (decrease) in current liabilities		
Trade and other payables	434,897,243	134,093,260
	(489,941,924)	529,902,170
Cash generated from operations	1,401,698,158	1,670,121,470
Finance cost paid	(1,389,745,461)	(1,216,045,853)
Staff retirement benefits paid	(10,501,323)	(13,604,026)
Income tax paid	(115,526,209)	(207,605,723)
	(1,515,772,992)	(1,437,255,603)
Net cash (used in)/ generated from operating activities	(114,074,835)	232,865,868
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions/(deletion) in capital work in progress	(40,841,241)	2,340,020,080
Additions in fixed Assets	(93,628,349)	(2,835,335,129)
Additions in long term investments - net	-	(101,540,751)
Decrease in stores held for capitalisation	25,248,213	-
Proceeds from sale of fixed assets	2,690,482	1,361,408
Decrease in long term advances	4,003,000	-
Dividend received from associated company- UBL	468,248,720	-
Additions to long term deposits	(1,000,000)	-
Profit received on deposit accounts	344,559	438,057
Net cash generated from/ (used in) investing activities	365,065,384	(595,056,336)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short term borrowings	1,525,737,868	1,808,872,937
Long term financing - repayments	(1,654,166,666)	-
Long term morabaha - disbursements	-	400,000,000
- repayments	(60,000,000)	(2,034,010,228)
Net cash (used in)/ generated from financing activities	(188,428,798)	174,862,709
Net increase/(decrease) in cash and cash equivalents	62,561,751	(187,327,759)
Cash and cash equivalents at beginning of the period	187,776,744	452,291,805
Exchange gain	3,939,450	23,721,247
Cash and cash equivalents at end of the period	254,277,945	288,685,293

The annexed notes from 1 to 9 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR & CFO



BESTWAY CEMENT LIMITED
CONDENSED INTERIM FINANCIAL STATEMENT OF CHANGES IN
EQUITY (UNAUDITED) FOR THE NINE MONTHS ENDED
31 MARCH 2011

	Capital reserve		Revenue reserve		Total
	Share premium account	Unappropriated profit	Other comprehensive income	Rupees	
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2009	3,257,475,910	1,963,498,330	2,994,585,223	-	8,215,559,463
Total comprehensive income for the period					
Loss for the period	-	-	(617,801,609)	-	(617,801,609)
Total comprehensive income for the period - (loss)			(617,801,609)		(617,801,609)
Balance as at 31 March 2010	3,257,475,910	1,963,498,330	2,376,783,614	-	7,597,757,854
Balance as at 30 June 2010	3,257,475,910	1,963,498,330	1,785,148,713	-	7,006,122,953
Total comprehensive income for the period					
Loss after tax for the period	-	-	(173,523,717)	-	(173,523,717)
Total comprehensive income for the period - (loss)			(173,523,717)		(173,523,717)
Balance as at 31 March 2011	3,257,475,910	1,963,498,330	1,611,624,996	-	6,832,599,236

The annexed notes from 1 to 9 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

DIRECTOR & CFO



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 (Guaranteed) Limited since April 9, 2001. The Company is engaged in production and sale of cement. The Company's registered office is situated at Bestway Building, 19-A, College Road F-7 Markaz, Islamabad.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2010. Comparative balance sheet is extracted from annual financial statements as of 30 June 2010 whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim financial information for the nine months period ended 31 March 2010.

The condensed interim financial information is unaudited and is being submitted to the members as required under Section 245 of the Companies Ordinance, 1984.

This condensed interim financial information is separate financial information of the Company in which investments in subsidiaries and associates are accounted for on the basis of direct equity interest rather than on the basis of reported results. Condensed interim consolidated financial information is prepared separately.

3 ACCOUNTING POLICIES AND ESTIMATES

The accounting policies and estimates applied by the Company for the preparation of this condensed interim financial information are the same as those applied by the Company in preparation of annual financial statements for the year ended 30 June 2010.

4 LONG TERM FINANCING - secured

During the nine months period ended 31 March 2011 the Company made repayments towards principal loan outstanding amounting to Rs. 1,654 million (31 March 2010: Rs. 1,974 million) whereas repayments of Rs. 3,531 million (31 March 2010: Rs. 3,308 million) are due within next twelve months.

5 SHORT TERM BORROWINGS - secured

During the period, the Company obtained / availed following short term borrowing facilities;



Nature of facilities	Sanctioned amount	Utilised amount	Markup rate	Securities
Running finance from banking companies	Rs. 195.61 million	Rs. 195.61 million	3 months KIBOR plus 1% to 3 months KIBOR plus 1.7% per annum	First pari passu charge over present and future current assets of the Company excluding land and building amounting to Rs. 260.81 million
Short term loan from banking companies	Rs. 500 million	Rs. 500 million	3 months KIBOR plus 2% per annum	Ranking charge over all present and future assets of the Company amounting to Rs. 667 million
Foreign currency import finance	Rs. 1,193 million	Rs. 1,146 million	3 months LIBOR and six months LIBOR plus margin ranging from 2.75% to 3.5% per annum.	First pari passu charge by way of hypothecation on all present and future assets of the Company amounting to Rs. 1,609.52 million.
Export refinance	Rs. 668 million	Rs. 667 million	SBP rate plus 1% per annum.	First pari passu hypothecation charge on all present and future assets of the Company excluding land and building amounting to Rs. 890.67 million.

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

6.1.1 Contingencies are the same as disclosed in the annual financial statements for the year ended 30 June 2010, except for the guarantees as disclosed below.

	Unaudited 31 March 2011 Rupees	Audited 30 June 2010 Rupees
6.1.2 Guarantees	<u>70,329,762</u>	<u>68,329,762</u>



BESTWAY CEMENT LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL
INFORMATION (UNAUDITED) FOR THE NINE MONTHS ENDED
31 MARCH 2011

	Unaudited 31 March 2011 Rupees	Audited 30 June 2010 Rupees
6.2 Commitments		
6.2.1 In respect of letters of credit and contracts	<u>48,761,418</u>	<u>685,764,775</u>
7 PROPERTY, PLANT AND EQUIPMENT		
<p>During the nine months period ended 31 March 2011 the Company acquired property, plant and equipment aggregating Rs. 135.013 million (31 March 2010: Rs. 523.577 million) and property, plant and equipment with the carrying value of Rs. 39.404 million (31 March 2010: Rs. 29.209 million) were disposed off during the same period.</p>		
8 TRANSACTIONS WITH RELATED PARTIES		
<p>Bestway (Holdings) Limited, U.K. is the ultimate parent company of the 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, major shareholders, entities with common directorships, directors and key management personnel . Transactions with related parties during the period are as follows:</p>		
	<u>Nine Months ended 31 March,</u>	
	<u>2011</u>	<u>2010</u>
	<u>Rupees</u>	<u>Rupees</u>
Parent company		
Management fee (expense)	1,664,417	503,045
Subsidiary company		
Sale of coal	373,302,294	533,310,654
Purchase of coal	65,457,685	-
Sale of cement	803,200	-
Sale of packing material	21,087,720	-
Purchase of packing material	12,689,320	-
Advances given	527,315,853	551,469,000
Recoveries made/ payments received	1,037,364,465	475,660,604
Purchase of clinker	48,635,594	174,836,579
Management fee (income)	22,500,000	22,500,000
Markup on advances given	25,241,072	49,700,430



BESTWAY CEMENT LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL
INFORMATION (UNAUDITED) FOR THE NINE MONTHS ENDED
31 MARCH 2011

	<u>Nine Months ended 31 March,</u>	
	<u>2011</u>	<u>2010</u>
	<u>Rupees</u>	<u>Rupees</u>
Stores, spare parts and loose tools given	10,937,960	18,167,158
Stores, spare parts and loose tools received	5,156,612	13,074,158
Expenses incurred on their behalf	85,734	2,226,035
Associated undertakings under common directorship		
Service and bank charges	2,636,617	2,344,719
Management fee (income)	440,000	360,000
Office rent received	563,580	495,079
Utility expense received	46,730	30,695
Dividend received	468,248,720	-
Sale of cement	2,059,280	-
Recoveries made	-	1,811,973
TRANSACTIONS WITH RELATED PARTIES (continued)		
Other related parties		
- Key management personnel		
Remuneration and allowances	92,249,058	98,621,520
9 DATE OF AUTHORISATION		
<p>This condensed interim financial information was authorised for issue by the Board of Directors of the Company in the meeting held on 30 April 2011.</p>		
CHIEF EXECUTIVE		DIRECTOR & CFO



Consolidated
Financial Information
March 2011



BESTWAY CEMENT LIMITED
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2011

		Unaudited March 2011 Rupees	Audited June 2010 Rupees
SHARE CAPITAL AND RESERVES			
Authorised share capital 350,000,000 (2010: 350,000,000) ordinary shares of Rs. 10 each		<u>3,500,000,000</u>	3,500,000,000
Issued, subscribed and paid up share capital		3,257,475,910	3,257,475,910
Share premium		1,963,498,330	1,963,498,330
Exchange reserve		630,840,062	579,217,097
Cash flow hedge reserve		(8,337,201)	(13,189,978)
Unappropriated profit		<u>3,984,492,158</u>	4,271,289,486
		<u>9,827,969,259</u>	10,058,290,845
Minority interest		<u>141,820,856</u>	157,375,906
		<u>9,969,790,116</u>	10,215,666,751
NON CURRENT LIABILITIES			
Long term financing - secured	5	<u>11,137,747,782</u>	13,482,192,226
Liability against assets subject to finance lease-secured		132,187,539	154,309,555
Long term murabaha-secured		1,825,000,000	1,885,000,000
Deferred liabilities		<u>1,275,212,258</u>	1,225,693,196
		<u>14,370,147,579</u>	16,747,194,977
CURRENT LIABILITIES			
Trade and other payables		<u>3,101,334,487</u>	2,246,189,610
Markup payable		1,025,962,393	361,303,917
Short term borrowings - secured	6	6,231,483,793	4,641,908,139
Current portion of long term financing	5	4,688,888,890	4,298,611,112
Current portion of liability against assets subject to finance lease		52,547,136	43,433,792
Current portion of long term murabaha		<u>120,000,000</u>	120,000,000
		<u>15,220,216,700</u>	11,711,446,570
		<u>39,560,154,394</u>	38,674,308,298

CONTINGENCIES AND COMMITMENTS

7

The annexed notes 1 to 11 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE



BESTWAY CEMENT LIMITED
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2011

		Unaudited March 2011 Rupees	Audited June 2010 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	8	24,970,475,178	25,755,960,207
Goodwill		1,135,192,353	1,135,192,353
Investment property		340,715,834	340,715,834
Long term investments		5,744,959,958	5,445,240,148
Long term advance		20,015,000	24,018,000
Long term deposits		<u>89,495,534</u>	87,495,534
		<u>32,300,853,857</u>	32,788,622,076
CURRENT ASSETS			
Stores, spare parts and loose tools		<u>3,588,661,370</u>	2,686,048,335
Stock in trade		897,680,654	1,065,833,617
Trade debts- considered good		416,229,151	315,857,176
Advances		251,565,961	257,510,799
Deposits and prepayments		31,254,903	8,578,946
Interest accrued		1,557	62,490
Other receivables		380,052,225	1,341,800
Due from government agencies		1,405,474,238	1,339,808,133
Cash and bank balances		<u>288,380,478</u>	210,644,926
		<u>7,259,300,537</u>	5,885,686,222
		<u>39,560,154,394</u>	38,674,308,298

DIRECTOR & CFO



BESTWAY CEMENT LIMITED
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS
ACCOUNT (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED
31 MARCH 2011

	For the nine months ended		For the three months ended	
	31 March		31 March	
	2011 Rupees	2010 Rupees	2011 Rupees	2010 Rupees
Turnover-net	11,902,064,428	10,468,874,839	4,486,448,839	3,212,888,504
Cost of sales	9,973,770,063	8,957,595,674	3,612,195,273	3,131,938,163
Gross profit	1,928,294,366	1,511,279,165	874,253,567	80,950,341
Administrative expenses	125,704,670	123,725,178	40,981,617	36,015,694
Distribution cost	278,532,738	850,120,511	75,738,394	31,384,047
Finance cost	2,487,508,734	1,772,438,600	856,628,282	691,029,471
Other operating income	(24,982,461)	(42,554,375)	(13,674,760)	(23,597,510)
	2,866,763,682	2,703,729,914	959,673,534	734,831,702
Share of profit in associated company	708,879,753	587,746,364	260,169,079	210,560,436
(Loss)/ profit before taxation	(229,589,563)	(604,704,385)	174,749,113	(443,320,926)
Taxation - Current	(72,762,814)	33,892,314	(127,412,529)	146,644,881
(Loss)/ profit for the period	(302,352,378)	(570,812,071)	47,336,583	(296,676,044)
Attributable to:				
Shareholders of the Bestway Cement Limited	(286,797,328)	(562,430,001)	54,362,975	(294,127,508)
Non-controlling interest	(15,555,050)	(8,382,071)	(7,026,392)	(2,548,537)
	(302,352,378)	(570,812,071)	47,336,583	(296,676,044)

The annexed notes 1 to 11 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE

DIRECTOR & CFO



BESTWAY CEMENT LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME (UNAUDITED) FOR THE NINE MONTHS
PERIOD ENDED 31 MARCH 2011

	For the Nine months ended		For the three months ended	
	31 March		31 March	
	2011 Rupees	2010 Rupees	2011 Rupees	2010 Rupees
(Loss)/ profit for the period attributable to				
Shareholders of the Parent Company	(286,797,328)	(562,430,001)	54,362,975	(294,127,508)
Non-controlling interest	(15,555,050)	(8,382,071)	(7,026,392)	(5,833,534)
	(302,352,378)	(570,812,072)	47,336,583	(296,676,045)
Other comprehensive income				
Exchange translation reserve	51,622,965	35,706,528	4,469,895	(24,507,215)
Gain on cash flow hedge reserve	7,465,812	4,790,431	2,373,737	909,893
Related deferred tax liability on cash flow hedge reserve	(2,613,034)	(1,676,651)	(830,808)	(318,463)
Other comprehensive income for the period - net of tax	56,475,743	38,820,308	6,012,824	(23,915,785)
Total comprehensive income for the period - (loss)	(245,876,635)	(531,991,764)	53,349,407	(320,591,830)
Total comprehensive income for the period attributable to				
Shareholders of the Parent Company	(230,321,586)	(523,609,693)	60,375,798	(314,758,296)
Non-controlling interest	(15,555,050)	(8,382,071)	(7,026,392)	(5,833,534)
	(245,876,635)	(531,991,764)	53,349,407	(320,591,830)

The annexed notes 1 to 11 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE

DIRECTOR & CFO



BESTWAY CEMENT LIMITED
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT
(UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED
31 MARCH 2011

	Nine months ended 31 March	
	2011	2010
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss before taxation	(229,589,563)	(604,704,386)
Adjustments for:		
Loss/(gain) on disposal of property, plant and equipment	7,922,175	(415,005)
Depreciation	932,228,031	668,950,163
Rental income from investment property	(15,036,542)	(8,819,165)
Profit on deposit accounts	(344,559)	(438,057)
Share of profit in associated company	(708,879,753)	(587,746,364)
Profit on held to maturity investment	-	(6,602)
Finance cost	2,487,508,734	1,772,438,600
Provision for staff retirement benefits	30,481,751	22,211,785
Exchange gain	(3,939,450)	(23,721,247)
	2,729,940,387	1,842,454,107
	2,500,350,823	1,237,749,721
(Increase)/ decrease in current assets		
Stores, spare parts and loose tools	(902,613,036)	(244,341,579)
Stock in trade	168,152,963	224,578,800
Trade debts	(100,371,976)	381,148,016
Advances	136,237,249	4,163,629
Deposits and prepayments	(22,675,958)	(1,883,270)
Accrued Profit	60,933	89,941
Other receivables	(371,210,425)	62,648,623
Due from Government agencies	(63,964,706)	(8,534,693)
Increase in current liabilities		
Trade and other payables	831,400,181	1,101,095,916
	(324,984,775)	1,518,965,383
Cash generated from operations	2,175,366,048	2,756,715,104
Finance cost paid	(1,835,858,931)	(1,435,996,173)
Staff retirement benefits paid	(11,080,312)	(19,482,179)
Income tax paid	(145,970,796)	(228,427,816)
	(1,992,910,039)	(1,683,906,168)
Net cash generated from operating activities	182,456,009	1,072,808,936
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in capital work in progress	(54,992,192)	7,208,616,176
Additions in fixed assets	(123,577,436)	(8,434,890,937)
Decrease in stores held for capitalization	21,213,972	37,160,233
Additions in long term investments - net	-	(101,540,751)
Proceeds from sale of fixed assets	2,690,482	1,361,408
Profit received on deposit accounts	344,559	438,057
Dividend received	468,248,720	-
Increase in long term deposits	(2,000,000)	375,900
Decrease in long term advances	4,003,000	-
Net cash generated from/ (used in) investing activities	315,931,105	(1,288,479,915)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short term borrowings	1,589,575,655	1,581,177,884
Long term financing - repayments	(1,954,166,666)	-
Long term murabaha murabaha - disbursements	-	400,000,000
- repayments	(60,000,000)	(2,034,010,228)
Proceeds from issue of right shares	-	107,280,000
Net cash (used in)/ generated from financing activities	(424,591,011)	54,447,656
Net increase/(decrease) in cash and cash equivalents	73,796,103	(161,223,323)
Cash and cash equivalents at beginning of the period	210,644,925	462,165,420
Exchange gain	3,939,450	23,721,247
Cash and cash equivalents at end of the period	288,380,478	324,663,346

The annexed notes 1 to 11 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE

DIRECTOR & CFO



BESTWAY CEMENT LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES
IN EQUITY (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED
31 MARCH 2011

	Attributable to shareholders of the Parent Company		Advance for issue of right shares		Cash flow hedge reserve		Exchange reserve		Share premium		Issued, subscribed and paid up share capital		Total	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2009	3,257,475,910	1,963,498,330	486,648,272	(12,786,337)	-	-	-	-	-	-	-	-	-	10,407,070,121
Total comprehensive income for the year														
Loss for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	(285,304,804)
Others comprehensive income for the year - net of tax	-	-	92,568,825	(403,641)	-	-	-	-	-	-	-	-	-	92,165,184
Total comprehensive income for the year	-	-	92,568,825	(403,641)	-	-	-	-	-	-	-	-	-	(93,139,620)
Transaction with owners, recorded directly in equity														
Issue of right shares	-	1,963,498,330	-	-	-	-	-	-	-	-	-	-	-	578,750
Premium on issue of right shares	-	-	-	-	-	-	-	-	-	-	-	-	-	1,157,500
Effect of dilution in non-controlling interest due to purchase of unscribed non-controlling shares by Parent Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total transaction with owners, recorded directly in equity	-	1,963,498,330	-	-	-	-	-	-	-	-	-	-	-	1,736,250
Balance as at 30 June 2010	3,257,475,910	1,963,498,330	579,217,097	(13,189,978)	-	-	-	-	-	-	-	-	-	10,215,666,751
Total comprehensive income for the Period ended 31 March 2011														
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	(802,353,378)
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	(802,353,378)
Transactions with owners, recorded directly in equity														
Parent Company's share of associate's exchange translation reserve-net	-	-	51,622,965	-	-	-	-	-	-	-	-	-	-	51,622,965
Cash flow hedge reserve	-	-	4,852,778	-	-	-	-	-	-	-	-	-	-	4,852,778
Balance as at 31 March 2011	3,257,475,910	1,963,498,330	630,840,062	(8,337,207)	-	-	-	-	-	-	-	-	-	9,969,790,116

The annexed notes 1 to 11 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE

DIRECTOR & CFO



1 LEGAL STATUS AND OPERATIONS

Bestway Cement Limited ("the Parent Company") is a public company incorporated in Pakistan on 22 December 1993 under the Companies Ordinance, 1984 and is listed on the Karachi Stock Exchange (Guarantee) Limited since April 9, 2001. The Parent Company is engaged in production and sale of cement. The Parent Company's registered office is situated at Bestway Building, 19-A, College Road F-7 Markaz, Islamabad.

The Parent Company has 95.03% (2010: 95.03%) holding in Mustehkam Cement Limited ("the Subsidiary Company"). The Subsidiary Company is a public company incorporated in Pakistan on 29 July 1954 under the Companies Act, 1913 since repealed and replaced by the Companies Ordinance, 1984 and is listed on the Karachi, Lahore and Islamabad Stock Exchanges. The Subsidiary Company is engaged in production and sale of cement. The Subsidiary Company's registered office is situated at Bestway Building, 19-A, College Road, F-7 Markaz, Islamabad.

2 BASIS OF CONSOLIDATION

These condensed interim consolidated financial statements include the financial statements of the Parent Company and the Subsidiary Company together constituting "the Group".

Subsidiaries are those enterprises in which the Parent Company directly or indirectly controls, beneficially owns or holds more than 50 percent of the voting securities or otherwise has power to elect and appoint more than 50 percent of its directors. The financial statements of the Subsidiary Company are included in the consolidated financial statements from the date the control commences until the date the control ceases. The financial statements of the Subsidiary Company have been consolidated on a line-by-line basis.

All material inter company balances, transactions and resulting unrealized profits/ (losses) have been eliminated.

Non controlling interest is that part of net results of the operations of the Subsidiary Company attributable to interests which are not owned by the Parent Company. Minority interest is presented as a separate item in the consolidated financial statements.

3 BASIS OF PREPARATION

3.1 This condensed interim consolidated financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting

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

3.3 This condensed interim consolidated financial information does not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended June 30, 2010. Comparative figures of the balance sheet are extracted from the audited annual consolidated financial statements for the year ended 30 June 2010 whereas comparative profit and loss account, statement of changes in equity and cash flow statement are stated from unaudited condensed interim consolidated financial information for the nine months period ended 31 March 2010.



4 ACCOUNTING POLICIES AND ESTIMATES

The accounting policies, related judgments, estimates and assumptions adopted for preparation of this condensed interim consolidated financial information are the same as those applied in preparation of the annual audited consolidated financial statements for the year ended 30 June 2010.

5 LONG TERM FINANCING - secured

During the nine months period ended 31 March 2011 the Group made repayments towards principal loan outstanding amounting to Rs. 1,954 million (31 March 2010: Rs. 1,975 million) whereas repayments of Rs. 4,689 million (31 March 2010: Rs. 3,608 million) are due within next twelve months.

6 SHORT TERM BORROWING - secured

During the period, the Company obtained / availed following short term borrowing facilities;

Nature of facilities	Sanctioned amount	Utilised amount	Markup rate	Securities
Running finance from banking companies	Rs. 195.61 million	Rs. 195.61 million	3 months KIBOR plus 1% to 3 months KIBOR plus 1.7% per annum	First pari passu charge over present and future current assets of the Company excluding land and building amounting to Rs. 260.81 million
Short term loan from banking companies	Rs. 500 million	Rs. 500 million	3 months KIBOR plus 2% per annum	Ranking charge over all present and future assets of the Company amounting to Rs. 667 million
Foreign currency import finance	Rs. 1,193 million	Rs. 1,146 million	3 months LIBOR and six months LIBOR plus margin ranging from 2.75% to 3.5% per annum.	First pari passu charge by way of hypothecation on all present and future assets of the Company amounting to Rs. 1,609.52 million.
Export refinance	Rs. 668 million	Rs. 667 million	SBP rate plus 1% per annum.	First pari passu hypothecation charge on all present and future assets of the Company excluding land and building amounting to Rs. 890.67 million.



7 CONTINGENCIES AND COMMITMENTS	Unaudited	Audited
	31 March 2011	30 June 2010
	Rupees	Rupees
In respect of letters of credit and contracts	<u>103,101,947</u>	<u>710,599,823</u>
In respect of bank guarantees	<u>70,329,762</u>	<u>68,329,762</u>
7.1 All bank guarantees are secured by way of charge over fixed assets of the Group.		
7.2 Competition Commission of Pakistan (CCP) has issued a show cause notice dated 28 October 2008 to 21 cement manufactures (including the Group) under section 30 of the Competition Ordinance, 2007. On 27 August 2009, CCP imposed a penalty of Rs. 636 million on the Group. The cement manufacturers (including the Group) has challenged the CCP order in Honourable High Court and the Honourable High Court has passed an interim order restraining CCP from taking any adverse action against these 21 cement manufactures. Against the above referred order of CCP dated 27 August 2009 an appeal was also filed as abundant caution in the Honourable Supreme Court of Pakistan under Section 42 of the Competition Ordinance, 2007. These appeals are still pending and management is confident of a favourable outcome of the case.		
7.3 Tax related contingencies are same as disclosed in the annual financial statements for the year ended 30 June 2010.		
7.4 Share of contingencies & commitments in associated company		
Contingencies		
Direct credit substitutes	<u>1,685,412,504</u>	<u>1,617,110,015</u>
Transactions related	<u>7,356,382,673</u>	<u>7,595,060,378</u>
Trade related	<u>9,953,216,253</u>	<u>9,101,532,573</u>
Tax related	<u>-</u>	<u>469,000,000</u>
Others	<u>2,387,344,145</u>	<u>1,581,325,610</u>
Commitments		
In respect of sale of forward foreign exchange contracts	<u>5,098,144,595</u>	<u>3,633,708,308</u>
In respect of purchase of forward foreign exchange contracts	<u>8,682,823,593</u>	<u>7,044,624,135</u>
Others	<u>3,353,011,754</u>	<u>3,925,269,468</u>



8 PROPERTY, PLANT AND EQUIPMENT		
During the nine months period ended 31 March 2011 the Group acquired property, plant and equipment aggregating Rs. 214.523 million (31 March 2010: Rs. 6123.127 million) and property, plant and equipment with the carrying value of Rs. 88.964million (31 March 2010: Rs. 29.438 million) were disposed off during the same period.		
9 TRANSACTIONS WITH RELATED PARTIES		
The Group is controlled by the ultimate parent company, therefore, all subsidiaries and associated undertakings of the ultimate parent company are related parties of the Group. Other related parties comprise of directors, key management personnel, entities with common directorships and entities over which the directors are able to exercise influence. The transactions with related parties are as follows:		
	For the nine Months ended 31 March	
	2011	2010
	Rupees	Rupees
Parent company		
Management fee (expense)	1,664,417	503,045
Associated undertakings under common directorship		
Service and bank charges	3,590,092	2,744,099
Management fee (income)	440,000	360,000
Office rent received	563,580	495,079
Utility expense paid	46,730	30,695
Dividend received	468,248,720	-
Tax related contingencies are same as disclosed in the annual financial statements for the year ended 30 June 2010.	2,059,280	-
Other related parties		
- Key management personnel		
Remuneration and allowances	96,848,217	102,990,001
10 DATE OF AUTHORISATION		
This condensed interim financial information was authorised for issue by the Board of Directors of the Parent Company in the meeting held on 30 April 2011 .		
11 GENERAL		
Figures have been rounded off to the nearest rupee.		
CHIEF EXECUTIVE	DIRECTOR & CFO	